

STANDING COMMITTEE REPORTS**SCRep. 1 Intergovernmental Relations and International Affairs on H.B. No. 70**

The purpose of this bill is to establish a State Office of International Affairs in the Office of the Governor to direct, oversee, and coordinate the international activities of the State.

H.B. No. 70 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less meaningful.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 70, as amended herein, and recommends that it be recommitted to the Committee on Intergovernmental Relations and International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 70, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Souki, Tajiri and Takamine.

SCRep. 2 Finance on H.B. No. 299

The purpose of this bill is to authorize funds for the expenses of the Legislature up to June 30, 1990, and also for the expenses of the legislative support agencies during the 1989-1990 fiscal year.

Your Committee has provided the following specific appropriations:

SENATE AND HOUSE OF REPRESENTATIVES

The amount appropriated for the Senate is \$3,288,116 and the amount appropriated to the House of Representatives is \$4,289,318. Your Committee finds that the amounts are necessary to meet operating costs of the Legislature covering such items as equipment, supplies, staff services, and other fundamental expenses.

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,742,000 to meet the basic operating budget of the Office of the Legislative Auditor. The amount includes funds for special studies and other purposes to be jointly determined by the President of the Senate and the Speaker of the House of Representatives.

STATE ETHICS COMMISSION

Your Committee approves the appropriation of \$299,880 to the State Ethics Commission.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,575,957 for the Legislative Reference Bureau.

OMBUDSMAN

Your Committee approves the appropriation of \$451,200 for the Office of the Ombudsman.

LEGISLATIVE INFORMATION SYSTEM

Your Committee approves the appropriation of \$418,497 to the Senate and \$544,407 to the House of Representatives for the purpose of defraying the expenses of the legislative information system, nicknamed "SHADOW". Your Committee finds that these amounts are necessary to meet equipment, consultant, supplies and other related expenses.

LAPSE OF FUNDS

Appropriations under this bill are subject to lapse as of June 30, 1990.

Your Committee has also made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 299, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 3 Human Services on H.B. No. 60

The purpose of this bill is to appropriate the sum of \$125,000 in fiscal year 1989-1990 to be expended by the executive office on aging for the development of a long term care case management model to facilitate a coordinated long term care system.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 60 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 4 Human Services on H.R. No. 13

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to determine the feasibility of offering tax credits to encourage the purchase of long-term care insurance.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 13 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 5 Human Services on H.C.R. No. 11

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study to determine the feasibility of offering tax credits to encourage the purchase of long-term care insurance.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 11 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 6 Human Services on H.R. No. 14

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to determine the feasibility of offering tax credits to families caring for the elderly who are ill.

Your Committee on Human Services concurs with the intent and purpose of H.R. No. 14 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 7 Human Services on H.C.R. No. 12

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study to determine the feasibility of offering tax credits to families caring for the elderly who are ill.

Your Committee on Human Services concurs with the intent and purpose of H.C.R. No. 12 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Peters.

SCRep. 8 Education on H.B. No. 83

The purpose of this bill is to appropriate additional funds to extend the Parent-Community Networking Centers to more schools.

The Department of Education has developed Parent-Community Networking Centers at fifty-four school sites in which facilitators are trained and employed part-time to serve as a resource to help educate parents in issues relating to their children's education, to involve parents at the schools in various volunteer capacities, and to act as a support network for parents.

Your Committee received testimony in support of this measure from the Department of Education, Hokuani School Parent Teacher Association, the Hawaii Community Education Association, the Office of Hawaiian Affairs, the Office of Children and Youth, and Parent-Community Networking Center facilitators.

Your Committee finds that student achievement and school climate is greatly improved when parents are directly involved in the schools and that this program should be extended to all public schools in Hawaii.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 83 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 9 Education on H.B. No. 82

The purpose of this bill is to appropriate the amounts needed for school repair and maintenance, to reduce backlogs, and to maintain school facilities at an adequate level.

This appropriation includes funding to continue the implementation of a computerized information system that will enable repairs to be made on a cyclical basis. Under this new system the Department of Accounting and General Services will be able to accurately project funding needs and to maintain school facilities with a stable level of funding from year to year.

Your Committee received testimony from the Hawaii Business Roundtable, the Department of Education, the Department of Accounting and General Services, and the Hawaii State Teachers Association in support of this measure.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 82 and recommends that it pass second reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 10 Education on H.B. No. 89

The purpose of this bill is to appropriate funds to establish additional components in Japanese and Korean studies in the Department of Education's summer program for the enhancement of basic education (SPEBE)

Over the past two years the SPEBE Chinese studies program has afforded forty selected high school students the opportunity to study the history, culture, geography, and language of China at the University of Hawaii, and then spend two weeks in China, going to Beijing and other outlying areas.

The Department of Education, which testified in support of this measure, indicated that expansion of this program into Korean and Japanese studies had been planned for the 1991-1993 fiscal biennium. This appropriation will enable the department to offer these programs next year. The Superintendent of Education urged passage of this measure provided the funds would be in addition to the current budget and to the priority items requested in the executive budget request.

Your Committee finds that this program is in keeping with our concern that Hawaii's students be active participants in the economic and cultural life of the Asia-Pacific region.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 89 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 11 Education on H.B. No. 88

The purpose of this bill is to create and appropriate funds for a fellowship program which would allow high school teachers in the public schools to study the Asian and Pacific area and its cultures and languages.

Your Committee received testimony in support of this measure from the Department of Education and the University of Hawaii. The Superintendent of Education expressed interest in working closely with the University of Hawaii to ensure that this program will not work at cross purposes for either institution. The testimony of both institutions also requested that funding of this program be in addition to their budget requests for the 1989-1991 fiscal biennium.

Your Committee finds that it is desirable that the young people of Hawaii be able to communicate with our Pacific neighbors and understand conditions in those countries. We believe the University of Hawaii can play a role in helping teachers acquire the skills and knowledge needed to teach our students about the cultures and languages of the Asian and Pacific area.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 88 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 12 Labor and Public Employment on H.B. No. 1900

The purpose of this bill is to change the level of compensation for the Vice-Director of Civil Defense to that of a first assistant as provided under Section 26-53, Hawaii Revised Statutes.

By law, the Vice-Director serves as the first assistant to the Director of Civil Defense who is a department head. His responsibilities involve overseeing the day-to-day administration and operations of the statewide civil defense system, comprised of all State departments and the four county civil defense agencies. This position provides direction, control, and coordination of the executive, administrative, and operational responsibilities and function of State Civil Defense.

Additionally in the absence of the Director, the position assumes most of the duties and responsibilities of the Director of Civil Defense and reports directly to the Governor.

Presently, the Vice-Director's compensation is established under Chapter 77, Hawaii Revised Statutes, which deals with compensation law. Testimony from the Adjutant General/Director of Civil Defense indicated that the change in level of compensation would recognize the increased span of control and responsibilities placed on the Vice-Director of Civil Defense.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1900 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 13 Human Services on H.B. No. 61

The purpose of this bill is to fund a pilot short-term crisis intervention program for elderly persons in need of case management services, to be expended by the executive office on aging.

Your Committee held a public hearing on this bill and received testimony that a significant need for crisis intervention services exists. Your Committee has amended the bill in section 2, appropriating \$200,000, or so much thereof as may be necessary for fiscal year 1990-1991.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 61, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 61, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami and Peters.

SCRep. 14 Human Services on H.B. No. 66

The purpose of this bill is to make an appropriation for the expansion of the long-term care ombudsman program, to be expended by the Executive Office on Aging.

Your Committee finds that since the ombudsman programs is to operate in both years of the biennium, there should be an amendment to section 2 of the bill appropriating \$176,000, or so much thereof as may be necessary for fiscal year 1990-1991.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 66 as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 66, H.D. 1.

Signed by all members of the Committee except Representative Peters.

SCRep. 15 Health on H.B. No. 53

The purpose of this bill is to require the Department of Health to establish a model recycling program, by January 1, 1990.

Your Committee received testimony from the Department of Health, the Department of Business and Economic Development, the Sierra Club, and the Hawaii Medical Association in support of the bill. The Department of Health expressed some concern as to their ability to begin implementing the program by January 1990. Your Committee believes, however, that state government has become accustomed to undue delays in the implementation of programs and the hiring of staff. A six month period to begin a program should be enough. Recycling is not that complex, and initial efforts to sort out papers and cans can begin immediately.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 53 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16 Health on H.B. No. 50

The purpose of this bill is to establish a Birth Defects Monitoring Program within the Department of Health to help prevent and ameliorate birth defects and other adverse reproductive outcomes.

Your Committee received dozens of letters of support for this program and heard testimony in favor from community organizations such as Healthy Mothers, Healthy Babies; Hawaii Heptachlor Foundation; Hawaii Medical Association; Department of Health; Hawaii Institute for Biosocial Research; the Advisory Committee of the Hawaii Birth Defects Monitoring Program; and some private citizens.

Your Committee finds that there is a demonstrated need and widespread support for the purposes of this program, namely: to provide information on the incidence, trends and clustering of adverse birth outcomes such as birth defects, stillbirths and miscarriage; to provide information to help determine possible associations of environmental hazards with birth defects; to do data collection on a statewide basis; to provide information as to the possible causes of birth defects;

to provide a resource for gathering epidemiological studies and research as to causes and prevention of birth defects; and to gather information for use in planning, providing and evaluating environmental education and preventive health strategies.

Your Committee has made minor substantive changes to the bill as well as non substantive, technical changes for purposes of form and clarity. On page 4, line 24 the phrase "statewide" has been added to the phrase "birth defects monitoring program" to emphasize that the program shall eventually encompass all islands. On page 5, in paragraph (1) after "Provide information", the phrase "on a timely basis to the public and to decision-makers" has been added. Paragraph (3) has been rewritten to read:

"Include initial data collection on birth defects on the islands of Hawaii and Maui for the years 1985 to the present, with a special concern for potential and existing environmental risks such as the contamination of water catchment systems, use of pesticides and herbicides in agriculture, cane burning, exposure to ionizing and non-ionizing radiation, use of toxins for home treatment of termites, and other concerns." This additional language was included to broaden the concerns encompassed by the program.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 50, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 17 Health on H.B. No. 51

The purpose of this bill is to establish a Hawaii Health Registry and to fund key studies of importance to the health of the people of Hawaii.

Your Committee received testimony from the Department of Health, the Cane Smoke Working Group, the Groundwater Technical Advisory Committee and others. Dr. Mark Goodman, Director of the Hawaii Tumor Registry, also expressed support for the new registry which the bill directs be housed with the Tumor Registry.

The Hawaii Institute for Biosocial Research expressed reservations about the establishment of the Registry stating that an adequate data collection infrastructure is not in place. Concern was expressed that the necessary expertise in immunotoxicology was not available in the State. The Hawaii Conservation Council expressed its support for the bill, but was concerned that there were no funds appropriated to implement the establishment of the Registry.

Your Committee agrees that the funding for this bill is at a minimal level and has added a new Section 4. to the bill which adds an additional appropriation of \$100,000 for administration, coordination, and data collection for the Hawaii Health Registry and the Birth Defects Monitoring Program in conjunction with the existing Tumor Registry for both 1989-1990 and 1990-1991. The Committee has also added the language that the expending agency is the Department of Health. Your Committee believes that this proposed expenditure is consistent with the Department of Health budget request in HLT 903 to convert the existing Tumor Registry program to a more comprehensive data registry. Your Committee believes that it is important that the Birth Defects Registry and the Tumor Registry be located together under the umbrella of the new Hawaii Health Registry. Your Committee heard testimony from Dr. Goodman that such a consolidation has been successfully implemented in Iowa with a resulting savings to the State of approximately twenty to twenty-five percent.

Your Committee has also made nonsubstantive changes to the bill for purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 51, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 51 H.D.1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 18 Health on H.B. No. 54

The purpose of this bill is to improve the protection of the public health from unsanitary and infectious wastes through two strategies: the promotion of special sorting and handling of certain wastes which can be recycled and the development of new regulations relating to infectious medical wastes.

Your Committee finds that the public needs to place confidence in the State's system of handling and disposing of infectious wastes, and that steps need to be taken to reduce the amount of wastes now being deposited in landfills.

Your Committee received testimony from the Department of Health, from the Environmental Center at the University of Hawaii, the Healthcare Association of Hawaii and the Hawaii Medical Association.

The Department of Health in their testimony expressed reservations about the linking of landfill permits to recycling opportunities, and about the relationship of Section 3 of the bill, relating to infectious wastes. Your Committee feels, however, that recycling is very much related to the amount of wastes which are disposed of in landfills, and that it is essential that Hawaii take bold steps to encourage recycling and provide opportunities for alternatives to landfilling. This is a land use issue, because landfills take up space; it is an energy issue, because recycling saves and generates alternative energy; and it is an environmental quality issue, because landfills often contain materials which endanger the environment and public health and which have the potential of entering the water system.

Your Committee has examined the proposed administrative rules on medical wastes and believes that there is no major conflict with the language of H.B. 54. The rules, however, do offer a great deal of flexibility and subjectivity in their interpretation by health care institutions. Your Committee believes that strong guidelines are important to insure the highest standards possible with a minimum of regulation. Your Committee also notes that the proposed rules do not contain any specific mechanisms for monitoring the system. For these reasons, the guidelines proposed in H.B. 54 are necessary for a comprehensive system to manage infectious medical wastes.

Your Committee has amended Section 3 of the bill by substituting language suggested by the Department of Health which clarifies which institutions should be covered by the rules. In addition, specific references to double bagging and to sharp instruments has been deleted to avoid an overly restrictive approach.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 54, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 54, H.D. 1 and that it be referred to the Committee on Planning, Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 19 Health on H.B. No. 52

The purpose of the bill, as received by the Committee, was to protect the public health by requiring the provision of warnings before exposing any individual to chemicals known to cause cancer, harm to the animal or human immune system, or reproductive harm, and by providing more public information on the contamination of drinking water. Your Committee has changed the purpose of the bill by mandating the Department of Health to create an official list of chemicals known to cause cancer, damage to the immune system or reproductive harm; to create a public information system on the contamination of drinking water sources; and to establish an advisory committee to assist in implementing this act.

Your Committee heard testimony from the Department of Health, the Institute for Biosocial Research, the Groundwater Technical Advisory Committee, the Department of Agriculture, Brewer Chemical Company, the Hawaii Sugar Planters Association, the Hawaii Medical Association, Conservation Council for Hawaii and others.

Your Committee has considered the full range of elements contained in California's "Proposition 65" legislation and has determined that many questions remain regarding their appropriateness and implementation. For example, several people testified as to the difficulty of complying with the California requirements for both labeling and warning of the public. Your Committee was unable to develop a satisfactory Hawaii version of the regulatory portions of Proposition 65; however, it is recommended that subsequent Committees who evaluate this bill explore suggested regulatory amendments from the administration.

Your Committee has amended the bill, as noted above, by changing the purpose of the bill. This new purpose is contained in the second paragraph of Section 1, which begins "The purpose of this act is to..." and is reiterated above. A new Section 2 is added which specifies that a new Chapter be added to the Hawaii Revised Statutes entitled "PUBLIC ENVIRONMENTAL HEALTH INFORMATION ACT OF 1989". A Definition subsection -1 follows with "source of drinking water" defined. A subsection -2 follows entitled "List of chemicals known to cause cancer, to damage the immune system, or to cause reproductive harm". This subsection directs the Director of the Department of Health to publish such a list by March 1, 1990. A new subsection -3 designates the Department of Health as the lead agency in carrying out this mandate. A new Subsection -4 is entitled "Preservation of existing rights, obligations, and penalties." A new Section 3. contains a standard severability clause. A final new Section 4. sets the effective date of the bill as January 1, 1990.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 52, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 52, H.D. 1 and that it be referred to the Committee on Planning, Energy and Environmental Protection.

Signed by all members of the Committee.

SCRep. 20 Agriculture on H.B. No. 1

The purpose of this bill is to appropriate funds for the promotion of dendrobium orchids through programs conducted by the Department of Agriculture. In addition, this bill provides that no funds shall be made available unless matched dollar-for-dollar by the dendrobium orchid industry.

Your Committee finds that with past fiscal support and State encouragement, Hawaii's dendrobium orchid growers increased their total sales by 26 per cent in 1987. The industry also achieved an increase of 85 per cent in out-of-state sales in 1987.

Although the growth of the dendrobium industry in Hawaii look promising, your Committee heard testimony that competition from foreign sources is on the rise. Your Committee also heard that Hawaii's competitors hold an absolute cost advantage in getting the orchids into the U.S. mainland at half the landed cost than Hawaii.

Your Committee further heard testimony from the College of Tropical Agriculture and Human Resources that its preliminary market research report identifies the need for more aggressive promotion of Hawaii's dendrobium orchids. The report suggests that while mainland wholesalers and retailers are aware of Hawaiian dendrobium orchids, they lack

knowledge on how to care for them. The report further suggests the need for the industry to educate and familiarize the trade with the strengths and advantages of Hawaiian dendrobiums.

Your Committee finds that the dendrobium orchid industry has a large potential to increase its contribution to the State's economy, and that the industry needs to increase efforts to expand its market while retaining the ones established.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21 Agriculture on H.B. No. 2

The purpose of this bill is to provide funds for research performed by the industry and thereby offset the cost to the industry. In addition, the bill provides that no funds shall be made available unless matched dollar-for-dollar by the sugar industry.

Your Committee finds that with State encouragement and financial support, the sugar industry in Hawaii, despite its economic difficulties, has maintained and continued its research and development efforts both for sugar and development of alternate crops. Your Committee also finds that the industry must continue its research and development programs to increase productivity and reduce cost if it is to remain competitive in the U.S. and world sugar markets.

Your Committee further heard expressions of concern and cautious optimism about the fate of the industry, the State economy, and the fate of the price supports and import quotas for sugar in the 1990 Farm Bill. Your Committee also heard reaffirmations for the need to support and encourage Hawaii's congressional delegation to sustain their efforts in support of the U.S. sugar industry.

Your Committee has adopted the recommendations of the Hawaii Sugar Planters' Association by making the following amendments:

- (1) In Section 2 of the bill, Your Committee has added the phrase "and work with the Hawaiian congressional delegation in its efforts to maintain support for the U.S. sugar industry."
- (2) In the same section, Your Committee has reduced the amount provided for research and development of alternate crops and by-products from \$375,000 to \$300,000. Work will continue on coffee, cocoa, biomass, and sucro-chemistry.

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

Signed by all members of the Committee.

SCRep. 22 Agriculture on H.B. No. 3

The purpose of this bill is to appropriate funds for the promotion of diversified agricultural commodities through programs conducted by the Department of Agriculture. In addition, this bill provides that no funds shall be made available unless matched dollar-for-dollar by the diversified agricultural industry.

Your Committee finds that with past fiscal support and State encouragement, the farm value of Hawaii's diversified agriculture has increased steadily from \$199 million in 1983 to nearly \$240 million in 1987.

Your Committee also finds that there is need to maintain the promotional programs if expansion of the diversified agricultural industry is to continue, particularly in the areas of exportable crops which bring money into the state, as well as to fund the island fresh program for products consumed in this state.

Your Committee heard testimony that in addition to satisfying the State's goal of more self-sufficiency and more export income, diversified agriculture represents the most viable alternative for some of the land given up by sugar and pineapple.

It is the finding of your Committee that diversified agriculture is an important segment of Hawaii's economy. This sector provided more than half a billion dollars in retail sales of its products in 1987.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23 Agriculture on H.B. No. 4

The purpose of this bill is to appropriate funds for promotion of Hawaii-grown coffee through programs conducted by the Department of Agriculture. In addition, the bill provides that no funds be made available unless matched dollar-for-dollar by the coffee industry.

Your Committee heard testimony that there is much work to be done within the industry for promotion and marketing related activities.

The promotion of Hawaiian coffee, specifically Kona coffee, is carried out mainly as a branded product by individual Kona coffee roasters. Except for small localized promotion efforts in Kona supported with matching funds from the Department of Agriculture, the industry has concentrated on the rising gourmet market and has not conducted any generic promotion for many years.

Given the spread of interest within the industry, your Committee further heard testimony from the College of Tropical Agriculture and Human Resources calling for all industry-wide activities to be conducted by an industry organization. This organization will provide the Kona coffee industry, and eventually the broader Hawaii coffee industry, with the means to assess the relative conditions of production and markets, run an industry-wide certification program to sustain and improve the quality and image of Kona coffee, and determine the level of promotion and general industry-wide marketing efforts.

Your Committee finds that much more could be done to revitalize the industry if funds were made available for promotion.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 4 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 24 Agriculture on H.B. No. 5

The purpose of this bill is to strengthen the plant quarantine inspection program through acquisition and use of trained dogs to detect importation of illegal plants and animals.

Your Committee heard testimony that the present inspection system is designed to inspect items declared by arriving passengers from domestic areas. Other passengers and their bags are also visually scrutinized for illegal material as they disembark from their carrier. In this process, many prohibited plants and animals have been inspected and seized; but the discoveries in the State of new insect pests, plant diseases, snakes, and other prohibited animals indicate the need for more inspectors or other methods of detection.

Your Committee also heard testimony about how the use of trained dogs worked successfully in other programs. In a demonstration trial in Honolulu, a beagle assigned to the San Francisco International Airport successfully detected various fruits, a snake, and canned tuna that were hidden in various baggage. At the domestic baggage claim area of the Honolulu International Airport, the same beagle found various fruits in the baggage of arriving passengers.

Your Committee finds that trained dogs accompanied by trained quarantine inspectors will increase the ability of the State's inspection program to detect and restrict the entry of prohibited plants and animals into Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 5 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 25 Agriculture on H.B. No. 6

The purpose of this bill is to appropriate funds for the promotion of fresh Hawaii-grown pineapple through programs conducted by the Department of Agriculture. In addition, this bill provides that no funds shall be made available unless matched dollar-for-dollar by the pineapple industry.

Your Committee finds that with past fiscal support and state encouragement, Hawaii's pineapple growers have expanded their program to sell fresh Hawaiian pineapple from the 11 western states to cover all 22 states west of the Mississippi River.

Your Committee heard testimony that competition for Hawaiian fresh pineapple comes not only from foreign production sources, but from the ever-growing supply of other domestic fresh fruit in today's supermarkets. Almost two thirds of all fresh pineapple consumed in the U.S. is of Hawaiian origin. In the 11 western states, Hawaiian fresh pineapple dominates the fresh pineapple market, accounting for 87 per cent of the market's supply. In the mid-America states, 82 per cent of all fresh pineapple sales is Hawaiian product, but per capita consumption is only one-fourth of that in the 11 western states.

It is the finding of your Committee that the fresh pineapple consumption can be increased, and that the industry needs to expand its market while retaining the ones established.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 6 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 26 Agriculture on H.B. No. 7

The purpose of this bill is to appropriate funds for research and control of anthurium blight, or bleach, through programs conducted by the Governor's Agriculture Coordinating Committee. In addition, this bill provides that \$25,000 shall be used to demonstrate techniques that can help anthurium farmers minimize the spread of the disease on their farms.

Your Committee finds that with past fiscal support and State encouragement, the College of Tropical Agriculture and Human Resources has embarked on the research and control program approved by the Governor's Agriculture Coordinating Committee.

Your Committee also finds that the blight occurs on all our major islands with its impact most severe on the island of Hawaii, where more than 95 per cent of the State's anthuriums are grown.

Your Committee heard testimony that during a one-year survey period (October 1, 1987 to September 30, 1988), the anthurium industry suffered a total dollar loss of \$8.5 million. Your Committee also heard testimony that a virulent bacterial disease is the most difficult type of plant disease to contend with and that there is no cure--the only control measure is to prevent infection of the plant.

It is the finding of your Committee that research to minimize the effects of anthurium blight must continue if we are to prevent losses to the farmers involved in the industry, and ultimately, to save this major floriculture industry.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 7 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 27 Agriculture on H.R. No. 6

The purpose of this resolution is to support Hawaii's congressional delegation in their efforts to maintain support for the United States sugar industry.

Your Committee received favorable testimony on this resolution from the Hawaii Sugar Planters' Association, the Board of Agriculture, and the College of Tropical Agriculture and Human Resources.

Your Committee finds the survival of Hawaii's sugar industry critical to the State's economy; and particularly to the sugar-dependent communities, its people who earn their livelihood working in the fields and mills, and people who work or provide support services to the industry. While there are indications that the system of price supports and import quotas for sugar in the 1990 Farm Bill will survive, your Committee reaffirms its support to encourage and sustain the efforts of Hawaii's congressional delegation.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 6 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 28 Agriculture on H.C.R. No. 2

The purpose of this concurrent resolution is to support Hawaii's congressional delegation in their efforts to maintain support for the United States sugar industry.

Your Committee received favorable testimony on this concurrent resolution from the Hawaii Sugar Planters' Association, the Board of Agriculture, and the College of Tropical Agriculture and Human Resources.

Your Committee finds the survival of Hawaii's sugar industry critical to the State's economy; and particularly to the sugar-dependent communities, its people who earn their livelihood working in the fields and mills, and people who work or provide support services to the industry. While there are indications that the system of price supports and import quotas for sugar in the 1990 Farm Bill will survive, your Committee reaffirms its support to encourage and sustain the efforts of Hawaii's congressional delegation.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 2 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 29 Agriculture on H.R. No. 7

The purpose of this resolution is to commend the United States Department of Agriculture in its work to eradicate fruit flies in Hawaii.

Your Committee on Agriculture received favorable testimony on this resolution from the College of Tropical Agriculture and Human Resources, the Board of Agriculture, the Hawaii Farm Bureau, and faculty members of the University of Hawaii speaking for themselves.

Your Committee finds that eradication of fruit flies will remove a major constraint to Hawaii's achieving its agricultural potential. It will also remove a threat to the agricultural crops of other states and remove the environmental and health concerns expressed by many over the use of pesticides and irradiation methods.

Your Committee also finds that most of the identified and acceptable control methods require time and money for successful eradication of the fruit flies. No one method of control is likely to be 100 per cent successful and that continuing research into various eradication techniques coupled with monitoring of the results will be necessary.

Your Committee has amended this measure to include the identification of the fruit fly treated in Mexico as Mediterranean (6th WHEREAS clause). Your Committee also added the College of Tropical Agriculture and Human Resources as one of the cooperating agency (1st BE IT FURTHER RESOLVED clause) and included the College in the last BE IT FURTHER RESOLVED clause.

Your Committee on Agriculture concurs with the intent and purpose of H.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 7, H.D. 1.

Signed by all members of the Committee.

SCRep. 30 Agriculture on H.C.R. No. 3

The purpose of this concurrent resolution is to commend the United States Department of Agriculture in its work to eradicate fruit flies in Hawaii.

Your Committee on Agriculture received favorable testimony on this concurrent resolution from the College of Tropical Agriculture and Human Resources, the Board of Agriculture, the Hawaii Farm Bureau, and faculty members of the University of Hawaii speaking for themselves.

Your Committee finds that eradication of fruit flies will remove a major constraint to Hawaii's achieving its agricultural potential. It will also remove a threat to the agricultural crops of other states and remove the environmental and health concerns expressed by many over the use of pesticides and irradiation methods.

Your Committee also finds that most of the identified and acceptable control methods require time and money for successful eradication of the fruit flies. No one method of control is likely to be 100 per cent successful and that continuing research into various eradication techniques coupled with monitoring of the results will be necessary.

Your Committee has amended this measure to include the identification of the fruit fly treated in Mexico, as Mediterranean (6th WHEREAS clause). Your Committee also added the College of Tropical Agriculture and Human Resources as one of the cooperating agency (1st BE IT FURTHER RESOLVED clause), and included the College in the last BE IT FURTHER RESOLVED clause.

Your Committee on Agriculture concurs with the intent and purpose of H.C.R. No. 3, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 3, H.D. 1.

Signed by all members of the Committee.

SCRep. 31 Ocean and Marine Resources on H.B. No. 1216

The purpose of this bill is to appropriate \$3,000,000 to plan, design and construct an operational prototype DORRUS facility at the Natural Energy Laboratory or Host Park facilities at Keahole Point.

H.B. 1216 was introduced as a short form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1216, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1216, H.D. 1.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 32 Ocean and Marine Resources on H.B. No. 1217

The purpose of this bill is to appropriate \$2,000,000 for the design and construction of the center for applied aquaculture.

H.B. 1217 was introduced as a short form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1217, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1217, H.D. 1.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 33 Ocean and Marine Resources on H.B. No. 213

The purpose of this bill is to create an oceanbook for Hawaii which integrates current knowledge about the ocean, noting present and future developments in human activity in the ocean. Such a publication, which is nonexistent in this state, would be a valuable educational tool, not only in schools but for all residents of and visitors to Hawaii. In addition, this publication would provide valuable information to both professionals and the general public, enrich our understanding of the complexity of the ocean which surrounds Hawaii, and enable the people of Hawaii to make well-informed decisions about the future uses of the ocean resources of our State.

Your Committee received testimony from the University of Hawaii Sea Grant College Program in support of this measure. A copy of Sea Grant's report on the feasibility study for a Hawaii oceanbook, prepared in response to H.R. 401 and H.C.R. 238, was submitted to the Legislature in December, 1987.

While in agreement with the intent of this bill, your Committee has amended this bill for the purpose of adding the University of Hawaii Sea Grant College as the expending agency to carry out the purposes of this Act.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 213, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 34 Ocean and Marine Resources on H.B. No. 19

The purpose of this bill is to ensure an adequate supply of nearshore fisheries and find ways to better manage these ocean resources by appropriating \$500,000 for a study to determine causal factors responsible for the decline in near shore fishery and other marine resources.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources, the University of Hawaii Sea Grant College, the Hawaii Chapter of the American Fisheries Society, TORCH and Malama Na I'a. However, Malama Na I'a mentioned that they will withdraw their support if after two years there have been no mechanisms developed that link the knowledge gained to real efforts to implement change which will result in greater numbers of fish. Their goal is not to support pure research efforts but to reestablish Hawaii's near shore resources for future generations. They also offered substantive changes to clarify the intent of this bill.

Upon further consideration, your Committee has amended this bill as follows:

(1) Clarified the impact that overfishing and ocean pollution has on the environment by replacing the phrase, "change and destroy the marine environment." on line 3, page 1 with the phrase, "have led to a significantly great depletion of near shore fisheries resources available for use by the citizens of Hawaii."; and

(2) Addressed concerns to ensure that the results of the study be applied to improved management of the marine resources by:

(a) requiring the Division of Aquatic Resources to submit a report to the legislature outlining new proposed or potential management strategies resulting from the study at least 20 days prior to the convening of the 1991 Session; and

(b) inserting the word, "manage," between "to better" and "conserve and enhance" in line 20, page 1 of the amended bill.

Your Committee has further amended this bill to correct a technical drafting error.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 35 Ocean and Marine Resources on H.B. No. 20

The purpose of this bill is to prevent any use of drift gill nets by prohibiting their use. This bill amends Chapter 188, Hawaii Revised Statutes, by adding a new section which prohibits any person to possess or use any drift gill net in the waters of the State.

Currently, Hawaii fishers do not use ocean drift gill nets. The principle users in the Pacific are fishers from Asia. Although there is no ban to fishing with ocean drift nets in State waters at this time, its potential use could have a disastrous effect on the marine life in Hawaiian waters.

Your Committee received testimony from the Hawaiian Humane Society and Malama Na I'a in support of this measure. In addition, the testimony from the Department of Land and Natural Resources concurred with the purpose and intent of H.B. No. 20.

Your Committee, while in complete agreement with the need to ban the use of drift gill nets, has made a technical, nonsubstantive amendment on page 2, line 2 by deleting "gill" in its present position and placing it after "drift" for the purpose of style and clarity.

Your Committee on Ocean and Marine Resources 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 referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 36 Transportation on H.B. No. 104

The purpose of this bill is to allow the counties to dispose of an obviously unclaimed abandoned vehicle within a reasonable amount of time after being towed.

At the present time, a vehicle reported as abandoned must first be marked and a notification placed on the vehicle's windshield. There is an attempt to locate the vehicle owner so that the vehicle can be removed from the public street. If the vehicle is not moved after 24 hours, a citation is issued and the vehicle towed within 48 hours after issuance of the citation. Within 5 working days after the tow, a certified letter with a return receipt is sent to the registered and legal owner of record. The owner is given an additional 20 days to claim the vehicle from the tow contractor's storage area. Each month, the county conducts an inventory of abandoned vehicles which have been unclaimed for more than 20 days at each tow contractor's storage area. The consolidated inventory of vehicles to be sold at public auction is prepared for publication in the local newspaper. The public auction is held no earlier than 5 days after the notice is published. During this entire process, from marking of the vehicle to the day of the auction which is approximately 50 to 60 days, the owner has the right to claim his vehicle.

Your Committee finds that the majority of abandoned vehicles are claimed by their owners within 5 days after being towed and those that are not claimed are eventually sold at public auction, usually at prices too low to cover the costs incurred for their storage. Vehicles which are sold at auction are held at storage areas on the average of 50 days, taking up valuable storage space.

Your Committee received testimony in favor of this bill from the Department of Finance of the City & County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 104 and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 37 Transportation on H.B. No. 105

The purpose of this bill is to give the State Department of Transportation the statutory authority to penalize persons violating airport rules covered by Section 261-21, Hawaii Revised Statutes.

Your Committee finds that Section 262-21 included penalties for violations of all administrative rules of the Airports Division; however, when the law was amended in 1980, the penalties for violation of rules relating to persons engaged in commercial and noncommercial activities in or about public airport facilities were inadvertently omitted.

Favorable testimony was presented to your Committee by the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 105 and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 38 Education on H.B. No. 94

The purpose of this bill is to establish an innovative teaching grants special fund.

The grants from this special fund, which would include both private and public money, would be awarded to teachers on a competitive basis to encourage them to develop innovations designed to improve student performance, motivate student interest, or promote teaching efficiency.

A committee of five educators would assist and advise the Superintendent of Education in awarding the grants. No grant would exceed \$5,000 and grants could not be awarded unless private funds amounting to one-half of the total sum

required of an approved grant would be available in the same fund. All teaching materials and supplies developed or purchased under this grant program would revert to the Department of Education. Successful innovations could thereafter be shared by other instructors, and their benefits multiplied many times over.

Testimony in favor of this measure was received from the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that the establishment of a program for awarding grants to teachers for the development of innovations will stimulate and provide opportunities for creativity in the pursuit of quality education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 94 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39 Education on H.B. No. 92

The purpose of this bill is to promote public education through interesting and innovative prime time television advertisements.

The Department of Education (Department) has developed a comprehensive communications plan which is designed to provide a solid foundation on which to build a positive image for the Department as the driving force for quality education in Hawaii's public schools. The plan addresses ways to motivate and encourage students to achieve their potential and to influence public attitudes on public education. It also discusses ways to increase parent and student appreciation of public education and to increase parental participation in public schools by using television advertisements and public service announcements.

Representatives from the Department of Education, the Hawaii State Teachers Association, and the Concerned Women for America testified in favor of this measure.

Your Committee has amended this bill by deleting the words, "prime time" in order to give the Department of Education more flexibility in placing advertising at various times of the day. Other nonsubstantive amendments have been made to the bill for the purpose of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 92, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40 Transportation on H.R. No. 19

The purpose of this resolution is to request the Department of Transportation to determine the feasibility of constructing an automated fixed rail "people mover" at the Honolulu International Airport.

Your Committee finds that for the past twenty years, the Wikiwiki Bus System has transported people within the airport terminal. Your Committee notes that the volume of visitors to Hawaii has increased over the past two decades and continues to grow at a rapid rate. Your Committee notes that the increase in demand for transportation services at the airport will eventually exceed the capacities of the buses. Your Committee finds that an assessment of the feasibility of constructing an automated fixed rail "people mover" to help alleviate the limited capacity of the buses at the Honolulu International Airport is necessary.

Your Committee received testimony in favor of this resolution from the Department of Transportation.

Your Committee on Transportation concurs with the intent and purpose of H.R. No. 19 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 41 Transportation on H.C.R. No. 17

The purpose of this concurrent resolution is to request the Department of Transportation to determine the feasibility of constructing an automated fixed rail "people mover" at the Honolulu International Airport.

Your Committee finds that for the past twenty years, the Wikiwiki Bus System has transported people within the airport terminal. Your Committee notes that the volume of visitors to Hawaii has increased over the past two decades and continues to grow at a rapid rate. Your Committee notes that the increase in demand for transportation services at the airport will eventually exceed the capacities of the buses. Your Committee finds that an assessment of the feasibility of constructing an automated fixed rail "people mover" to help alleviate the limited capacity of the buses at the Honolulu International Airport is necessary.

Your Committee received testimony in favor of this concurrent resolution from the Department of Transportation.

Your Committee on Transportation concurs with the intent and purpose of H.C.R. No. 17 and recommends its adoption.

Signed by all members of the Committee.

SCRep. 42 Transportation on H.B. No. 78

The purpose of this bill is to allow the issuing of driver's licenses valid for four years to persons eighteen years of age or older. This bill also establishes that persons fifteen to seventeen years of age who have satisfied the requirements of sections 286-108 and 286-109 may be granted a special license that shall be valid for two years.

Your Committee finds that currently persons between fifteen and twenty-four years of age or sixty-five years of age or older are issued a two-year driver's license. However, statistics indicate that the more frequent driver's license renewal required of persons seventeen to twenty-four years of age and persons sixty-five years of age or older does not change driving habits and thereby lower accident rates. Furthermore, because drivers in the sixty-five and over age group have the lowest accident involvement index, 0.6 percent, and because this same age group has a license examination pass rate close to 100 percent, your Committee finds it unnecessary to require persons sixty-five years of age or older to renew their driver's licenses on a biennial basis.

Your Committee received testimony in favor of this bill from the Executive Office on Aging, the Department of Transportation, the Department of Finance of the City and County of Honolulu, a representative from the Hawaii Restaurant Association, and a concerned private citizen.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 78 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 43 Transportation on H.B. No. 118

The purpose of this bill is to strengthen the child passenger restraint law by excluding for hire motor vehicles and type I school buses from the exemptions listed under the provisions of Section 291-11.5, Hawaii Revised Statutes.

Favorable testimony was received by your Committee from the Department of Transportation, the Department of Health, and the Hawaii Transportation Association.

The Department of Health's testimony indicated that this bill supports one of the 1990 priority objectives in the area of accident prevention and injury control of the Governor's Conference on Health Promotion and Disease Prevention.

The Department of Transportation suggested that the bill be amended to specify that the exemption for commercial vehicles should apply only when the vehicle is being used for commercial purposes. Any commercial vehicle that is used for noncommercial purposes would lose its exempt status until it is again used commercially.

Your Committee finds that by adding the words "that is being" between the words "vehicle" and "used" in the last sentence in Section 1, the enforcement capability of the law would be strengthened. Therefore, your Committee has amended this bill by adding "that is being" between the words "vehicle" and "used" in the last sentence in Section 1.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 118, H.D. 1, and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 44 Ocean and Marine Resources on H.B. No. 1218

The purpose of this bill relates to ocean management.

H.B. No. 1218 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1218, as amended herein, and recommends that it be recommitted to the Committee on Ocean and Marine Resources for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1218, H.D. 1.

Signed by all members of the Committee except Representatives Bellinger and Honda.

SCRep. 45 Intergovernmental Relations and International Affairs on H.B. No. 1301

The purpose of this bill is to make an appropriation out of the general revenues in the amount of \$ for fiscal year 1989-1990, for the improving fire protection facilities in areas where such facilities are substandard.

H.B. No.1301 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used for convenience to introduce a bill containing only a general idea as to its purpose and means without specific details in long form. Your Committee has amended the bill in long form so that a public hearing may properly be held on its substantive provisions. Without the amendment providing the substantive contents, members of the public cannot be duly apprised, in advance of the hearing, as to what the bill specifically purports to do and the specific means by which it intends to achieve the desired results. Thus, a hearing on a short-form bill may not be helpful, and a notice thereof could be less meaningful.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1301, as amended herein, and recommends that it be recommitted to the Committee on Intergovernmental Relations and International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H..B 1301, H.D. 1.

Signed by all members of the Committee except Representatives Hirono, Takamine, Taniguchi and Marumoto.

SCRep. 46 Intergovernmental Relations and International Affairs on H.B. No. 270

The purpose of this bill is to fund four summit meetings during fiscal year 1989-1990 with each of Hawaii's sister states to discuss issues of mutual interest.

As Hawaii pursues a larger international role, one important component can be making our largely ceremonial sister state relationships more substantial and more active. A first step toward this goal is to arrange summit meetings between Hawaii's leaders and leaders from our sister states. This bill would make such meetings possible.

Favorable testimony was received from representatives of the recent Governor's Congress on Hawaii's International Role, the Office of State Planning, and the Department of Business and Economic Development.

As received by your Committee, the bill appropriated \$20,000 for each of four summit meetings. Since Hawaii has six sister states, it was felt that providing for a summit meeting with each sister state was the best course. Accordingly, your Committee has amended the bill by increasing the number of summit meetings to six, specifying that one summit meeting will be held with each sister state, and increasing the appropriation amount to \$120,000.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 270, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hirono, Takamine, Taniguchi and Marumoto.

SCRep. 47 Intergovernmental Relations and International Affairs on H.B. No. 259

This bill is a housekeeping measure. It replaces obsolete military titles in the statute determining when a national emergency exists. The titles in the statute have been obsolete since the 1970's, and a single commander of all United States forces in the Pacific was established. But to preclude the necessity for future changes to this Act if and when an organizational or title change is made, the new term "the senior United States military commander in the state, or in his absence a duly designated representative" should stand the test of changes and time.

Your Committee has made a technical, nonsubstantive amendment for purposes of style and clarity.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 259 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 1 and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hirono, Takamine, Taniguchi and Marumoto.

SCRep. 48 Human Services on H.B. No. 359

The purpose of this bill is to provide a tax credit for foster parents to help them meet the financial burden of caring for foster children.

Your Committee finds that the provision of foster care is a valuable resource to our state as it gives wounded children a place to live as well helps them heal from abuse or neglect. The parents offer shelter and often cover the children's expenses out of their own pocket without complete reimbursement. Your Committee finds that one way to support foster parents and encourage other people to serve as foster parents is to create a tax credit.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 359 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 49 Human Services on H.B. No. 324

The purpose of this bill is to continue public awareness and education initiatives designed to increase the reporting of elder abuse or neglect, so that the incidence of abuse and neglect are reduced.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 324 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ihara and Peters.

SCRep. 50 Human Services on H.B. No. 362

The purpose of this bill is to amend the definition of a nonmedicaid recipient as specified in Act 208, Session Laws of Hawaii 1988, Section 2, by removing the minimum amount of personal assets that a person must have in order to qualify for home services as a nonmedicaid recipient.

While in agreement with the stated purpose of the bill, your Committee received additional testimony noting that the minimum and maximum income limits set forth in the definition of a nonmedicaid recipient, i.e., 200 and 400 percent of the current medical assistance community income limit, respectively, creates a gap group of individuals between 100 and 200 percent of the income limit who are ineligible for personal care services, even though they are part of the intended target group. Under the present statutory scheme an inequity exists as individuals with higher incomes qualify. In addition, other testimony received favored lowering the upper income limit from 400 percent to 300 percent to ensure that the program will help those most in need.

Your Committee has therefore amended the bill by changing the definition of a nonmedicaid recipient to an individual whose income falls between a minimum income limit of 100 percent of the medical assistance community income limit and a maximum of 300 percent of the medicaid income limit.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 362, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51 Human Services on H.B. No. 361

The purpose of this bill is to amend the definition of a nonmedicaid recipient as specified in section 346-64 (b), Hawaii Revised Statutes, by removing the minimum amount of personal assets that a person must have in order to qualify for chore and personal care services as a nonmedicaid recipient.

While in agreement with the stated purpose of this bill, your Committee received testimony noting that the minimum and maximum income limits set forth in the definition of a nonmedicaid recipient, i.e., 200 and 400 percent of the current medical assistance community income limit, respectively, creates a gap group of individuals between 100 and 200 percent of the income limit who are ineligible for personal care services, even though they are part of the intended target group. Under the present statutory scheme an inequity exists as individuals with higher incomes qualify. In addition, other testimony received favored lowering the upper income limit from 400 percent to 300 percent to ensure that the program will help those most in need.

Your Committee has therefore amended the bill by changing the definition of a nonmedicaid recipient to an individual whose income falls between a minimum income limit of 100 percent of the medical assistance community income limit and a maximum of 300 percent of the medicaid income limit.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 361, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52 Human Services on H.B. No. 62

The purpose of this bill is to immediately extend Medicaid eligibility to children between one year of age and the maximum age allowed under optional federal medicaid rules living in families with incomes below the federal poverty level, without any asset restrictions.

Your Committee finds that health care for very young children from families with low incomes has not been made available to a sufficient degree and that the current phase-in program extending eligibility to children two years of age and older prolongs the period of time during which they are vulnerable to unaffordable costs for essential health care.

Your Committee further finds that because of the high cost of health care and because families with incomes even slightly above the poverty level do not currently meet the Medicaid eligibility requirements for health care, much-needed medical services for pregnant women and infants under the age of one year from families with low incomes have not been made sufficiently available. This bill represents a positive step toward alleviating health and developmental problems among young children from low-income families.

Your Committee has amended this bill by amending Section 346-14, Hawaii Revised Statutes, to expand Medicaid eligibility for pregnant women and infants under one year of age from families with incomes up to one hundred eighty-five percent of the poverty level. The sums appropriated in this bill have been increased to carry out the additional provisions.

Your Committee has also made technical, nonsubstantive changes within the bill for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 62, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 62, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53 Planning, Energy and Environmental Protection on H.B. No. 24

The purpose of this bill is to appropriate funds to commission the Environmental Center of the University of Hawaii to: (1) undertake a comprehensive review of the efficacy of the environmental impact statement (EIS) system, chapter 343, HRS; (2) publish a descriptive handbook of the EIS system; and (3) report the findings and recommendations to the 1990 Legislature.

There has been numerous changes to Hawaii's Environmental Impact Statement law in the last ten years. Your Committee finds that there is a need to ensure that the integrity of this system has not diminished and, thus, that a comprehensive review of chapter 343 is urgently needed.

Your Committee has amended sections one and two of this bill by deleting the provisions relating to the publishing of a descriptive handbook. If the recommendations of this study call for substantial changes in chapter 343 then the handbook would be premature. Your Committee has further amended this bill by requiring the report to be submitted prior to the convening of the regular session of 1991.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 24, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 24, H.D. 1 and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 54 Planning, Energy and Environmental Protection on H.B. No. 615

The purpose of this bill is to appropriate funds for a statewide community litter education program.

Your Committee finds that although many public school and media education programs have been conducted in Hawaii, there is a great need to intensify efforts and "institutionalize" these programs within the public and private school curricula. An ongoing mass media campaign would also be beneficial in reminding citizens about the problem of littering.

Representatives from the Department of Health and Hawaii's Thousand Friends testified in favor of this bill. Testimony indicated that the proposed funding would help achieve a beautiful, litter-free Hawaii.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 615 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 55 Planning, Energy and Environmental Protection on H.B. No. 180

The purpose of this bill is to establish the ocean thermal energy conversion fund and to deposit moneys into this fund to encourage the development of ocean thermal energy conversion projects for commercial applications. The bill also allows matching funding from non-state sources and provides that the ownership of all equipment and facilities financed by the fund shall revert to the State upon termination of each project.

Your Committee finds that Hawaii has made significant contributions to ocean thermal energy conversion research, development, and demonstration. And as a result, Hawaii continues to be a world leader in this field.

In order to maintain its world leadership role, Hawaii must now proceed to the advanced demonstration and commercialization phase of ocean thermal energy conversion development. Your Committee finds that an establishment of an ocean thermal energy conversion development fund would provide the State an opportunity to design, construct, and operate on a continuous basis, a larger-scale ocean thermal energy conversion facility.

The matching fund requirement of this bill would leverage existing state funding and allow participation by component suppliers and experienced design and engineering firms. In addition, the equity interest of non-state funding sources would help to ensure the cost-effectiveness of future, commercial-sized ocean thermal energy conversion facilities.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 180 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bellinger and D. Ige.

SCRep. 56 Education on H.B. No. 124

The purpose of this bill is to change the definition of "enter or remain unlawfully in section 708-800, HRS, and to increase the penalty for persons who enter or remain unlawfully on school premises.

Trespassing on school property has been associated with vandalism, theft, burglary, and the sale of illegal drugs. The changes to the penal code in this measure are intended to clarify the definition of trespassing on school property.

The Department of Education, the Honolulu Police Department, and the Principal of Ilima Intermediate School testified in favor of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 124 and recommends that it pass Second Reading and that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 57 Education on H.B. No. 87

The purpose of this bill is to appropriate funds to renovate and expand the main branch of the state library system.

The State Librarian and the Friends of the Library of Hawaii testified in favor of this measure.

Your Committee finds that the main branch of the state library system in downtown Honolulu has provided access to educational services, government publications, scientific and technical resources, magazines, newspapers, Hawaiian and Pacific resources, films, and a variety of other reference services to researchers, students, tourists, and the general public for decades.

Now 75 years old, the main branch of the state library has been suffering from a leaking roof and problems with plumbing fixtures. Within the past few years the building has had to be closed and services curtailed because of these problems.

Your Committee further finds that, due to continued deteriorating conditions, major repairs must be made as soon as practicable. Furthermore, the need for a larger facility has emerged because of an increase in demand for library services over the years.

We believe that the question of whether funding the reconstruction of this important facility should be accomplished by the issuance of general obligation bonds or by the appropriation of general funds, as has been proposed by the administration, should be determined by your Committee on Finance.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 87 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58 Planning, Energy and Environmental Protection on H.B. No. 21

The purpose of this bill is to appropriate \$25,000 for a study to determine whether there is species uptake of potentially hazardous substances in areas where nearshore marine life is collected for human consumption.

Your Committee finds that there has been a proliferation of resort and golf course developments in coastal areas throughout the State. These developments regularly use pesticides, herbicides, and fertilizers for grounds-keeping and golf course maintenance. Your Committee is concerned that these and other non-point sources of pollution from such developments may pose a threat to human health through bioaccumulation in species which are commonly collected for consumption. In particular, there is concern regarding limpets (opihii) and marine algae (limu) and other species which are most likely to be affected.

The study called for in this bill will assess whether there is a threat to human health, and thus, will provide information needed to determine whether the State should take a more active role in addressing this potential problem. It is the intent of this Committee that the study will complement monitoring programs which have been analyzing nearshore water quality in resort areas.

Your Committee has amended section one of this bill by specifically referring to limpets and marine algae. Your Committee has further amended this bill by changing the appropriating agency to the Office of the Legislative Auditor, with the intention that funds will be used to hire a local marine research firm that is familiar with recent studies in this area.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 59 Planning, Energy and Environmental Protection on H.B. No. 22

The purpose of this bill is to appropriate funds for the 1990 World Hydrogen Energy Conference.

In 1986, the Legislature appropriated funds to attract the biennial World Hydrogen Energy Conference to Hawaii. Assisted by that legislative initiative, Hawaii was selected to host the World Hydrogen Energy Conference 8 in 1990, also known as Hawaii Hydrogen 90. The \$50,000 appropriation to the Hawaii Natural Energy Institute in 1986 resulted in more than \$700,000 in research and development funding from the Department of Energy.

Your Committee finds that in order to provide substance to the event and establish Hawaii as the leading center for this technology, specific demonstrations of hydrogen projects are desired. Funds from this appropriation will be used as leverage to attract government and industrial participation, both national and foreign.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 22 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 60 Planning, Energy and Environmental Protection on H.B. No. 178

The purpose of this bill is to provide adequate funding to the State for the continued implementation of existing and ongoing hazardous materials training programs in Hawaii. This bill provides funds for the training of state and county personnel who respond to hazardous materials emergencies.

Representatives from the Department of Health, Department of Defense, Office of Environmental Quality Control, Honolulu Fire Department, Honolulu Police Department, Board of Water Supply, and the Hawaii Medical Association testified in favor of this bill.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 178 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 61 Planning, Energy and Environmental Protection on H.B. No. 470

The purpose of this bill is to provide funds to the Office of State Planning for a study of coastal erosion along south-central and west Maui.

Your Committee finds that this study will provide valuable information regarding coastal erosion along the leeward shores of all Hawaiian islands, in addition to providing important information regarding specific erosion problems on Maui. Precise knowledge regarding one of Hawaii's most valuable assets, our world renowned beaches, is critical.

Your Committee has amended this bill by referring to the school of ocean and earth science and technology rather than the department of oceanography in sections one and two.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 470, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 62 Health on H.B. No. 244

The purpose of the bill, as received by your Committee, was to establish within the department of health an on-going educational program for families caring for mentally ill relatives.

Your Committee heard widespread agreement on the need for such programs from the department of health, the Commission on the Handicapped, Hawaii Centers for Independent Living, and Hawaii Family and Friends of Schizophrenics. Testimony was heard emphasizing the inadequacies of the current system, and the need to focus on the circumstances of the consumer. It was noted that often consumers are a valuable resource to others suffering from similar problems and thus should be incorporated more thoroughly into the program.

Your Committee has amended the bill to reflect the need to embrace mental health consumers in these new programs. On page 1, line 8, the Committee has added "using peer support groups" as part of the educational program's methodology. In addition, on page two, lines 11-13 have been amended to ensure that the educational program includes "programs for consumers, including education on the side effects of medication, and the use of peer support groups."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 244, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 63 Health on H.B. No. 147

The purpose of this bill is to provide the incentive of a special add-on to the Medicaid reimbursement rate to the State's inpatient health care institutions which develop innovative programs to retain a specified percentage of their registered and licensed practical nurses for five years or more.

Your Committee finds that while many efforts have been made to increase the "supply" of nurses entering the workforce, few concrete efforts have been made to encourage retention of nurses who are in danger of burning out and leaving the profession. The health care community has repeatedly asked for additional Medicaid funds, and it is possible to condition the granting of additional funds on the ability to retain nurses.

Your Committee further finds that it is possible to institute a program of Medicaid add-ons which does not discriminate against new institutions, nor against those who employ significant numbers of military dependents who often leave after three years.

Your Committee has amended the bill, in sub paragraph (d) to provide add-on funds to all new inpatient health care institutions for a period of five years, with a mandatory adjustment if, after five years, they have not met the retention criteria. Those institutions having been in existence for at least five years would receive the Medicaid add-on only if their nurse retention percentage met the conditions of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 147, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 147, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64 Health on H.B. No. 56

The purpose of this bill is to provide funds to establish in the Mental Health Division of the Department of Health a mental health unit which shall provide needed bilingual mental health services to immigrants on a statewide basis and for an increase in the number of permanent positions in the crisis response system project to enable the project to function at its intended level of effectiveness. Your Committee has amended the purpose of the bill by adding the phrase "and refugees" wherever the term "immigrants" appears.

Your Committee heard wide-ranging testimony in favor of more funds for both sections of the bill. An extended discussion was held regarding existing services and their ability to respond to the needs of the community. It was found that the existing plan provides only two crisis team members on any single shift in a particular Mental Health Center. It was also found that in some cases these services are not as extensive on the Neighbor Islands. Several testifiers stated that the immigrant and refugees services were underfunded in the bill. Mental health consumers emphasized the need to utilize their expertise and perspective in designing and implementing the programs. Some concern was expressed about how office space would be provided for additional workers. It was found that the Department had not communicated with all of its mental health programs, and the head of the crisis program was not even aware of the specifics of the proposed housing plan - which includes homes specifically set aside for short term crisis intervention.

Your Committee has amended the bill in the following manner:

- 1) by adding reference to "refugees" whenever "immigrant" services are mentioned.
- 2) by adding an additional \$100,000 for each year of the biennium for the immigrant and refugee program in Section 3 of the bill.
- 3) by deleting specific reference to the hiring of "three registered nurses with psychiatric experience and three paramedical assistants" in Section 4 of the bill and substituting: "The department shall consider the use of consumers in filling these positions."

Your Committee on Health is in accord with the intent and purpose of H.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 65 Health on H.B. No. 1030

Your Committee on Health finds that there is a lack of compiled and analyzed data on teen pregnancy in Hawaii, which would indicate what needs teens have in facing decisions about their pregnancies, and what services are currently available to them.

Your Committee heard testimony in support of this bill from the Department of Health, the Department of Education, the Hawaii Public Health Association, and a UH School of Social Work graduate student. There was agreement that analysis of compiled data could assist public and private policy makers in planning more effective service delivery

models. Your Committee discussed with the department of health the need for improving the department's system of analyzing the data it collects, in the area of teen pregnancy as well as in other health areas, and reminded the department that the discussion of adequate data gathering and analysis must continue.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1030 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 66 Agriculture on H.B. No. 199

The purpose of this bill is to provide funds to support papaya promotion through programs conducted by the Department of Agriculture. This bill contains a dollar-for-dollar matching requirement.

Papaya is the second most important fruit exported from Hawaii following pineapple. About 80 per cent of the papaya production is sold in out-of-state markets--22 per cent to Japan and 58 per cent to mainland and Canadian markets.

Your Committee heard testimony that the State's financial support for the promotion program has contributed largely to the marketing success enjoyed over the past years.

Your Committee also heard testimony that the industry is still plagued with the problems associated with the double-dip treatment system. However, in anticipation of the new dry heat treatment facility, papaya plantings have reached a new record high. As a result, fresh papaya production is expected to increase by over 34 per cent during the next two years.

In order to support this expected increase in production and out-of-state shipments, your Committee concurs with the need for a stronger advertising and promotion program. Your Committee concurs with the recommendations of the papaya industry by inserting the sum of \$200,000 in each year of the fiscal biennium.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 199, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 67 Agriculture on H.B. No. 204

The purpose of this bill is to provide funds to support the gorse infestation control programs on the islands of Hawaii and Maui through programs funded by the Department of Agriculture.

Gorse is considered the most serious of all noxious weeds to invade the pastures and conservation lands on the islands of Hawaii and Maui. It has taken over thousands of acres of high elevation lands on these islands. In the Humuula area, gorse has infested approximately 15,000 acres of Hawaiian Homes lands. From all indications, gorse has shown the capability to invade and compete with existing vegetation and eventually take over the landscape.

Your Committee heard testimony that the Hawaii Steering Committee for Gorse Control has organized a multi-agency program to address this problem. The Department of Agriculture, serving as lead agency, has developed a system of control which integrates the chemical and mechanical control methods with the biological control method (using insects and plant pathogens to suppress the gorse population).

Past appropriated funds for this control program have been used to implement a chemical spraying program on both islands in cooperation with major land owners and lessees. In November, 1988, the Department also released a moth (*Agonopterix*) in Humuula to test its first biological control method.

Your Committee concurs with the recommendations of the Hawaii Steering Committee for Gorse Control by inserting the sum of \$79,828 in each year of the fiscal biennium and by inserting the words "insects and" in line 11 to include insects as another biological control method.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 204, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 68 Agriculture on H.B. No. 203

The purpose of this bill is to provide funds to support the promotion of anthuriums through programs conducted by the Department of Agriculture. This bill contains a dollar-for-dollar matching requirement.

Your Committee heard testimony that the anthurium industry, hit hard from anthurium blight disease, has not shown any sustained growth in production for the past several years. Sales value, however, rose reflecting a situation where demand relative to supply has caused the unit price to rise.

Your Committee finds that in the present market condition, the industry needs support to continue its promotion to keep Hawaiian anthuriums visible in the market.

Your Committee concurs with the recommendation of the anthurium industry by amending the bill is as follows:

- (1) Inserting the sum of \$30,000 for fiscal year 1989-1990;
- (2) Appropriating an additional sum of \$30,000 for fiscal year 1990-1991; and
- (3) Replacing a blank appropriation matching requirement with a dollar-for-dollar match.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 203, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 69 Agriculture on H.B. No. 202

The purpose of this bill is to provide funds to support the promotion of ginger root produced in the State through programs conducted by the Department of Agriculture. This bill contains a dollar-for-dollar matching requirement.

During the past decade, the farm value of ginger root increased sixfold, ranking it as the State's fifth highest diversified crop. This rapid growth has attracted increasing competition from foreign sources. As a result, Hawaii competes with Taiwan, Brazil, and Fiji for the lucrative mainland market.

Your Committee heard testimony that there is a large potential for the industry to increase the awareness of consumers and persuade them to become regular customers.

Your Committee concurs with the need to continue the promotion program, but has no final figures for the appropriation sum. Accordingly, your Committee has amended the bill by inserting the sum of \$1.00 for fiscal year 1989-1990 and left the final sum to be determined by the Committee on Finance.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70 Agriculture on H.B. No. 200

The purpose of this bill is to provide funds to support the educational program for development of agricultural leaders through programs funded by the Governor's Agriculture Coordinating Committee. This bill contains a dollar-for-dollar matching requirement.

The Hawaii Agricultural Leadership Foundation is a non-profit organization that provides a series of leadership development programs over a two-year period to a selected group of mixed participants from farming businesses and communities throughout the State. There are no alternative leadership development programs for commercial farmers.

Your Committee heard testimony that there is a continuing need for strong agricultural leadership in Hawaii to support and strengthen Hawaii's agricultural base. Through its years of operation, the Foundation has graduated many individuals who later made their marks in the community in agriculture and in related areas.

Your Committee concurs with the Foundation's recommendation by inserting the sums of \$25,000 in each year of the fiscal biennium. Your Committee has further amended this bill to correct technical drafting errors.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71 Agriculture on H.B. No. 198

The purpose of this bill is to provide funds to support milk promotion through programs conducted by the Department of Agriculture. This bill contains a dollar-for-dollar matching requirement.

Hawaii's dairy industry is in competition with milk imported from the mainland. To remain competitive, the industry has participated with the Department of Agriculture to promote the identity, advantages, and freshness of locally produced milk.

Your Committee concurs with the need to maintain and improve the market's share for locally produced milk.

Your Committee has adopted the recommendations of the Department of Agriculture and the Fresh Milk Industry of Hawaii by making the following amendments:

- (1) In Section 1 of the bill, your Committee has inserted the sum of \$50,000.
- (2) In Section 2 of the bill, your Committee has replaced the Governor's Agricultural Coordinating Committee with the Department of Agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 198, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 72 Agriculture on H.B. No. 197

The purpose of this bill is to provide funds to support the webworm biological control program on Maui conducted through the Department of Agriculture.

Your Committee heard testimony that Maui ranchers find that the sod webworm is a major constraint to the full development of the grazing industry. In the winter months, when shorter days and lower temperatures retard the growth of forage for the animals, webworm caterpillars attack the grasses and further reduce the amount and nutritional value of the forage. Severe attacks can devastate pastures and put animal under great stress.

Your Committee finds that the Department of Agriculture has made progress to control the webworms through its ongoing biological control program using a beneficial parasitic insect to attack the webworm eggs and larvae. The appropriation requested in this bill will enable the Department to continue this program and integrate additional biological control methods derived from field trials.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 197 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 73 Agriculture on H.B. No. 196

The purpose of this bill is to provide funds to support the European brown snail control program conducted through the Department of Agriculture.

Your Committee heard testimony that the European brown snail has been in Hawaii for ten years and occurs in the Kula-Olinda and the Kamuela-Hamakua areas. Although the snail was also found in Kapahulu (on Oahu), this particular infestation was successfully eradicated in 1980.

The snail occurs primarily in vacant wild areas adjacent to farm areas. The fear is that the snails will soon spread into adjacent farm areas.

Control programs conducted by the Department of Agriculture involve (1) baiting, (2) hand-picking, and (3) educating residents about the snail and methods of control. The appropriation requested in this bill will enable the Department to intensify these activities.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 196 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74 Agriculture on H.B. No. 195

The purpose of this bill is to provide funds to support the plant and nondomestic animal quarantine program through programs conducted by the Department of Agriculture.

Since its inception 100 years ago, the plant and nondomestic animal quarantine program has grown in responsibility, complexity, and scope. However, staffing increases have not kept pace with the increasing workload of the program.

Your Committee heard testimony that the eight permanent plant quarantine inspector IV positions, as well as the computer and radio equipment, are needed to handle the dramatic increase in visitors and influx of goods.

Your Committee finds that these positions and equipment will provide the agency with the resources to develop a more effective and efficient inspection, enforcement, and public awareness program.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 195 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 75 Agriculture on H.B. No. 194

The purpose of this bill is to provide funds needed to establish a permanent orchard crops county agent's position in Kona, Hawaii.

Currently, one extension agent serves the ornamentals, flower, turf, landscape, and orchard industries in West Hawaii. The program responsibilities of this agent has increased rapidly due to the urban growth and the expansion of agricultural production in the Kona district. As a result, the present agent has been unable to provide adequate educational programs and services to the clientele involved in orchard crop production.

It is estimated that there are 850 farms in the Kona area producing coffee, 160 farms producing avocado, and 320 farms producing macadamia.

With the magnitude of growth in the orchard crop industries in West Hawaii, your Committee finds that one agent cannot provide the service demands in a timely and effective manner. Your Committee concurs with testimony for the establishment of a permanent agent specializing in orchard crops. This will free the present agent to devote full-time services to the areas of urban horticulture, tropical landscaping, nursery-ornamental, and flower production.

Your committee finds that because the bill establishes a permanent position, funds should be provided for a two-year period. Accordingly, your Committee has amended this bill by:

- (1) Providing adequate funds for the fiscal biennium;
- (2) Specifying the new county agent's position in greater detail;
- (3) Simplifying the name of the expending agency; and
- (4) Re-numbering Sections 2 and 3 to reflect the insertion of a new Section 2 in the amended bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 194, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76 Agriculture on H.B. No. 190

The purpose of this bill is to provide funds to support statewide agricultural activities through programs funded by the Governor's Agriculture Coordinating Committee.

Your Committee heard testimony on the nine statewide activities listed in the bill.

(1) Alternative crop research with emphasis on saline water irrigation and the economic feasibility of subtropical crops at various elevations:

This activity relates to potential agricultural use of land in South Kona. An ongoing project is being modified to test use of saline water for growing coffee and macadamia trees. Information from these tests can be transferred to other areas of South Kona. This testing needs to be continued for five years.

Macadamia and coffee trials have been installed at various elevations in the same project area. These trials will generate information useful to Hawaii's macadamia and coffee industries, both in Kona and other areas of the State.

(2) Continuation of the pesticide information program:

The Hawaii Farm Bureau has conducted this program for three years with the College of Tropical Agriculture and Human Resources. It is important to continue this program because (1) the State is requiring pesticide applicators to take more hours of training to meet registration and re-registration requirements, (2) pesticides use and regulations are undergoing continual changes, and (3) the applicators, consumers, and general public need up-to-date information and technical capability.

(3) Control of the koa seed worm and litchi fruit moth in macadamia:

These two pests cause premature nut drop and direct injury to the nut kernels resulting in high losses. Quantitative information on the pest are not available because no research on the pests is presently being conducted. One orchard is evaluating the use of insect lures to interfere with mating activities of the moths.

(4) Control of the ambrosia beetle in macadamia nut:

Because this beetle causes decline and possible death of macadamia trees, a broad research program has been initiated. The primary cause and how decline occurs will be determined to develop field practices for avoiding, preventing, or overcoming this problem.

(5) Promotion for diversified agriculture through Hawaii State Farm Fair:

The Hawaii State Fair, sponsored by the Hawaii Farm Bureau Federation, provides opportunities for people of Hawaii to see the State's agricultural products with livestock exhibits, produce displays, and educational displays. The Fair has attracted over 700,000 patrons over the past five years.

(6) Farmer oriented statewide marketing training and followup programs:

Marketing has been identified as a major constraint to all farmers. The training of farmers in the various aspects of marketing and its relationship to production and consumption activities is essential to the success of agriculture in Hawaii.

(7) Leaf miner on celery:

Celery growers in Hawaii have noted leaf miner as a major pest problem. At present the specific leaf miner involved have not been identified.

(8) Spotted wilt disease:

Tomato spotted wilt is an important disease in Hawaii transmitted by six species of thrips. Insecticides are ineffective, and there are no commercially acceptable spotted wilt resistant varieties of vegetables. The disease has periodically caused losses to lettuce, tomatoes, and peppers. Pineapple and papaya can also be affected.

(9) Freshwater clam research:

This freshwater clam has been found on Kauai and west Maui and could spread to other areas. It thrives in ditches, and during larvae stage, enters irrigation systems where it blocks the tubing and impedes water flow.

Your Committee finds each of these statewide activities merits support with the following amendments:

- (a) One line 16 of page 1, your Committee has inserted a second pest, "litchi fruit moth" and deleted the word "nuts."
- (b) On line 9 of page 2, your Committee inserted the sum \$30,000 for fiscal year 1990-1991.
- (c) On line 10 of page 2, your Committee reduced the sums for fiscal years 1989-1990 and 1990-1991 to \$90,000.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 190, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77 Agriculture on H.B. No. 191

The purpose of this bill is to provide funds to support the promotion of Hawaiian beef through programs conducted by the Department of Agriculture. This bill contains a dollar-for-dollar matching requirement.

In 1987, the Hawaiian beef industry's market share for beef was 31 per cent. The remaining market shares were provided by foreign imports (17 per cent) and mainland imports (52 per cent). Although beef consumption has increased in the past few years, the Hawaiian production for beef has remained fairly constant.

Your Committee heard testimony that with State support, the Department of Agriculture and the reorganized Hawaii Cattlemen's Council have developed a Hawaiian premium beef promotion program to educate the local consumers about the quality and virtues of Hawaiian beef. The appropriation requested in this bill will enable the Department and the Council to develop a two-year promotional program to follow the current one.

Your Committee finds that promotion is necessary to expand the Hawaiian beef industry's market share.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 191 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78 Agriculture on H.B. No. 192

The purpose of this bill is to provide funds to support statewide agricultural research through programs funded by the Governor's Agriculture Coordinating Committee.

Your Committee heard testimony on the three agricultural research projects.

(1) Hydroponic research for vegetable crops:

Hydroponic culture offers an alternative means of vegetable culture without problems with nematodes, diseases, weeds, and water and nutrient imbalances. Recent research in Taiwan and Japan has produced a non-circulating system that is

inexpensive and requires no electrical power and little maintenance. Leaf lettuce, cucumbers, and melons are likely candidates for hydroponic culture.

- (2) IPM programs for beans, cucumbers, and eggplants:

Integrated pest management (IPM) uses the optimal combination of biological, cultural, genetic, and chemical pest control practices for a specific crop to prevent economic losses. Feasibility studies need to be conducted on beans, cucumbers, and eggplant to determine its worthiness for full scale study.

- (3) Research on leaf miner on celery:

Your Committee finds that support for research on leaf miner on celery is being considered in a separate bill. Your Committee has therefore amended this bill by deleting this item.

Your Committee finds that the other two research projects merit funding to determine feasibility for large scale application.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 192, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 79 Agriculture on H.B. No. 193

The purpose of this bill is to provide funds needed to establish a permanent cut flower county agent's position in East Hawaii.

Your Committee heard testimony that one county agent currently serves East Hawaii with expertise in the areas of cut flowers and vegetable crops production and marketing. However, the public demand for the agent's services has increased to a point where the agent no longer can provide the services expected.

The agent currently serves approximately 625 clientele in floriculture and 250 clientele in vegetable crops. This excludes the numerous calls from the backyard type or non-commercial clientele.

Your Committee finds a critical need for extension service assistance in East Hawaii and concurs with testimony to establish a new cut flower agent's position. This will enable the present agent to devote services full-time to vegetable crops.

Your Committee finds that because the bill establishes a permanent position, funds should be provided for a two-year period. Accordingly, your Committee has amended this bill by:

- (1) Providing adequate funds for the fiscal biennium;
- (2) Specifying the new county agent's position in greater detail;
- (3) Simplifying the name of the expending agency; and
- (4) Re-numbering Sections 2 and 3 to reflect the insertion of a new Section 2 in the amended bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 193, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 639

The purpose of the bill is to appropriate funds for participation by Hawaii at the Osaka Expo 1990.

Your Committees have amended the bill to decrease the amount of matching funds provided by the private sector from \$4,000,000 to \$3,500,000.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 81 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 81

The purpose of this bill is to establish an international tourism consulting center and clearinghouse within the department of business and economic development to promote, assist and coordinate the provision of tourism-related

consulting, training, and research services by private consultants, non-profit organizations, and educational institutions in Hawaii throughout the Pacific and Asian regions.

Your Committees received testimony from the Department of Business and Economic Development, the Hawaii Hotel Association, and Outrigger Hotel in support of this bill.

Your Committees have amended the bill to clarify that the consulting center and clearinghouse is established in the Department of Business and Economic Development for administrative purposes only, and by increasing the appropriation to \$135,000 in fiscal year 1989-1990 and \$98,600 in fiscal year 1990-1991.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 81, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 81, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 82 Tourism on H.B. No. 1546

The purpose of the bill is to appropriate funds to the Hawaii visitors bureau for promotion of the ironman triathlon.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1546 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 83 Tourism on H.B. No. 1544

The purpose of this bill is to appropriate funds to transport the Lady Timarau or replica thereof the historic 24-foot boat that adventurer Florentino Das used on his one-man, five thousand mile voyage from Hawaii to the Philippines to the maritime museum.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1544 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84 Tourism on H.B. No. 1542

The purpose of this bill is to appropriate funds to the Western Conference of Association Executives (WCAE).

The WCAE is comprised of associations from the thirteen western states of the United States and the western provinces of Canada. Each year WCAE holds a conference for the purpose of professional education in association management. Of benefit to the State of Hawaii is the fact that association executives are meeting planners who are often responsible for bringing conventions and meetings to Hawaii.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1542 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85 Tourism on H.B. No. 1545

The purpose of the bill is to appropriate funds to the Hawaii visitors bureau for promotion of the Honolulu Marathon.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1545 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 86 Tourism on H.B. No. 1551

The purpose of the bill is to appropriate funds to the Hawaii Visitors Bureau for the promotion of the Hula Bowl.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1551 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 87 Tourism on H.B. No. 80

The purpose of this bill is to appropriate funds to continue the availability of visitor industry training and educational programs on the neighbor islands.

The visitor industry continues to be the mainstay of Hawaii's economy, generating thousands of jobs in the hotel, food and beverage, retail, entertainment, and transportation industries. The number of jobs is expected to increase in the neighbor islands. However, due to the small labor markets and the lack of training in the principal and practices of the tourism industry, the workforce on the neighbor islands will not be prepared to provide the high-quality services for which the State's visitor industry is renowned. To meet these needs, the bill appropriates funds to continue the availability of visitor training and educational programs on the neighbor islands.

Your Committee has made the following amendments:

Section 1

1. (page 1) The visitor industry continues to expand on all islands (lines 8 and 9).
2. Services are being delivered to the neighbor islands through the University of Hawaii's School of Travel Industry Management, the University of Hawaii community colleges, and the University of Hawaii at Hilo-Hawaii Community College (lines 17, 18, and 19).
3. (page 2) The Act provides expansion of training and educational programs in growing resort areas on all islands.

Section 2

4. \$87,500 is appropriated for fiscal year 1989-90, and \$87,500 is for fiscal year 1990-91 on the neighbor islands through the University of Hawaii's School of Travel Industry Management.

Section 3

5. \$87,500 is appropriated for fiscal year 1989-90, and \$87,500 is for fiscal year 1990-91 to continue education and training programs on the neighbor islands by the University of Hawaii community colleges.

Section 4

6. \$75,000 is appropriated for fiscal year 1989-90, and \$75,000 is for fiscal year 1990-91 to continue education and training programs on Oahu by the University of Hawaii community colleges.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 80, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 80, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 88 Tourism on H.B. No. 79

The purpose of this bill is to initiate a study of the carrying capacity of the State to the year 2010 in light of visitor and resident population projections.

Hawaii's visitor count is expected to increase at a rate of 2.5 per cent through the year 2010. The visitor population for that year is expected to be 11.6 million. Additionally, the State's resident population is expected to increase at a rate of 1.2 per cent, the resident population for 2010 is expected to be 1.4 million.

Because of the increase in both visitor and resident population, the State's infrastructure, social, and economic systems will be subject to great strain as larger numbers of people compete for scarce resources. The study initiated by this bill will be an important component in planning to deal with this projected growth.

Testimony in favor of this bill was presented by the Department of Business and Economic Development, the Office of State Planning, the Hawaii State Association of Counties, and representatives of the visitor industry.

Your Committee has amended the bill by increasing the appropriation for the study from \$50,000 to \$150,000 and by making the Office of State Planning responsible for the study.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 79, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 79, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 89 Tourism on H.B. No. 1552

The purpose of the bill is to appropriate funds to the Hawaii Visitors Bureau for the Aloha Bowl.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 90 Tourism on H.B. No. 1547

The purpose of the bill is to appropriate funds to the Hawaii Visitors Bureau for the Hawaii Open Amateur Baseball Tournament.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1547 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91 Ocean and Marine Resources on H.B. No. 428

The purpose of this bill is to appropriate funds for seed money to market the "Oceans 91" Conference on ocean technology.

Your Committee received testimony in support of this bill from the Department of Business and Economic Development, the High Technology Development Corporation, and the Institute of Electrical and Electronics Engineers, Inc.

Your Committee agrees that a conference in Hawaii would not only promote the State's role as a gateway to the Pacific for ocean technology development and transfer, but support the State's efforts to promote and develop its ocean research and development industry. In addition, the conference would expose Hawaii's present accomplishments on ocean science and technology with the potential for attracting new industries and research.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 428 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 92 Ocean and Marine Resources on H.B. No. 626

The purpose of this bill is to appropriate funds for improving tsunami preparedness in Hawaii, including, but not limited to, the manufacture and installation of uniform statewide signs and symbols designating evacuation routes.

Your Committee received testimony in support of this bill from the Department of Defense and the Honolulu Civil Defense Agency.

Your Committee finds that the signs and symbols need to be strategically placed in tsunami inundation zones to properly direct the public in the event a tsunami warning should occur.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 626 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 93 Ocean and Marine Resources on H.B. No. 856

The purpose of this bill is to appropriate funds for the convening of a "Hawaii and the Sea '90" Conference and to produce a report of the proceedings.

Your Committee received testimony in support of this bill from the Department of Business and Economic Development, the University of Hawaii, the Ocean Recreation Council of Hawaii (TORCH), and the SEAGRANT Advisory Council.

Your Committee finds that the 1990 conference would help foster the State's effort in becoming the leader of ocean-related activities within the Pacific Basin by reflecting upon past accomplishments and developments relating to the sea and assessing its ocean resources and opportunities.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 856 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 94 Ocean and Marine Resources on H.B. No. 1208

The purpose of this bill is to appropriate funds for the development of a program to raise public consciousness of Hawaii's Exclusive Economic Zone (EEZ) through the development of a master plan, the scripting of a film and video

project, a workshop for teachers to train a cadre of leaders, and the operation of a steering committee to oversee all activities with members from the Hawaii Natural Energy Institute and the Department of Education.

Your Committee received testimony in support of this bill from the Department of Education and the Hawaii Natural Energy Institute.

Your Committee finds that in order to have a full realization of the economic potential of Hawaii's EEZ, a proper foundation of learning should be established at the elementary and secondary school levels. The implementation of a curriculum would not only raise public awareness but infuse other concepts consistent with the Department of Education's curricular directions.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1208 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 95 Ocean and Marine Resources on H.B. No. 1211

The purpose of this bill is to appropriate funds for the purchase of a remotely operated vehicle and a long baseline navigation system to expand the deep sea research capability at the University of Hawaii.

Your Committee received testimony in support of this bill from the United States Senator Daniel K. Inouye, the Hawaii Undersea Research Laboratory of the University of Hawaii (HURL), the Hawaii Natural Energy Institute, and Makai Ocean Engineering, Inc.

Your Committee finds that in order to fully investigate the State's potential in the area of seamount and other bottom fisheries and to provide accurate deep ocean surveys, first-rate equipment is needed.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1211 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 96 Ocean and Marine Resources on H.B. No. 508

The purpose of this bill is to appropriate funds for the Pacific International Center for High Technology Research (PICHTR) to initiate preliminary studies for a Pacific fisheries assessment and satellite data network development program and to develop proposals for federal and other external funds to undertake a multiyear research and development program.

Your Committee received testimony in support of this bill from PICHTR and Edward K. Noda and Associates, Inc. The utilization of information generated from the large data base, which consists of oceanographic, biological, and fishery data, could increase the efficiency of fisheries stock exploitation and encourage the development of new fisheries.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 508 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 97 Ocean and Marine Resources on H.B. No. 1310

The purpose of this bill is to appropriate funds for the design, construction, and equipping of new and renovated facilities to house a national ocean resources laboratory, which will be managed by the Pacific International Center for High Technology Research (PICHTR).

Your Committee finds that Hawaii would be a logical site for a national ocean resources laboratory. Presently, there are no facilities in Hawaii for national ocean energy research projects. Having a laboratory in the State would result in numerous benefits, such as a greater volume of federally applied research activity and the availability of physical facilities badly needed by PICHTR to expand applied research and technology transfer programs, both in Hawaii and in the Pacific region.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1310 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo and Fukunaga.

SCRep. 98 Planning, Energy and Environmental Protection on H.B. No. 1445

The purpose of this bill is to protect the environment.

H.B. No. 1445 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your

Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1445, as amended herein, and recommends that it be recommitted to the Committee on Planning, Energy and Environmental Protection for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1445, H.D. 1.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 99 Planning, Energy and Environmental Protection on H.B. No. 469

The purpose of this bill is to make appropriate \$244,000 for the containment and possible eradication of banana poka on Maui.

Banana poka (*Passiflora mollissima*) is a weedy vine which currently infests more than 85,000 acres of native forest on the island of Hawaii and 12,000 acres of forests on Kauai. This vine is having devastating effects on these forests. Your Committee finds that on Maui the vine's distribution is still sufficiently limited such that it could be eliminated within a few years. The implementation of an eradication program at this time is critical.

Your Committee has amended this bill by apportioning the funds between fiscal years 1989-90 and 1990-1991.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 469, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 100 Planning, Energy and Environmental Protection on H.B. No. 23

The purpose of this bill is to create a State of Hawaii recycling commission to formulate a statewide plan for recycling.

Hawaii, like the rest of the nation, is faced with the scarcity of available and suitable land for new landfills, diminishing capacities of the existing landfills, and ever increasing amounts of solid waste being generated. Recycling is one phase of an integrated solid waste management program to recover resources and to reduce the amount of waste going to the landfill.

Your Committee finds that the people of this State must embark on a statewide effort to increase recycling efforts in Hawaii. Your Committee further finds that while much information currently exists regarding the merits and economics of recycling, there is no consensus on how a large scale recycling effort could be implemented in Hawaii. Your Committee feels that a commission with members representing agencies and industries which will have to implement the recycling program will come up with a workable and efficient plan of action.

The proposed action plan will include target levels for the percentage of the waste stream to be recycled and dates when these levels should be reached. It is intended that short and long range goals will be established so that a coherent sequence of steps will be presented.

The intent of this Committee is for the commission to come up with a plan that stresses action and implementation. Accordingly, your Committee has amended SECTION 1 of this bill to declare that it is the policy of this State to develop and implement a recycling program rather than to consider and explore one. SECTION 6 has also been amended by stipulating that the commission's report to the Legislature should include recommended legislation. Your Committee has further amended this bill by inserting the word "action" before plan throughout the bill.

SECTION 2 has been amended by expanding the commission to fifteen members. Additional members will include representatives from the four counties' public works department, two representatives from environmental organizations, and one member each from the general public and the Hawaii Hotel Association. The beverage industry will be represented by one member. A member from the carton and packaging industry has been deleted since this industry is not large in Hawaii.

SECTION 5, paragraph (6) has been amended to include state and county agencies among those large scale consumers which should be considered.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 23, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 23, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative D. Ige.

SCRep. 101 Judiciary on H.B. No. 45

The purpose of this bill is to restructure property crime sentencing to address the direct relationship between drugs and the commission of this type of crime.

H.B. No. 45 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in long form. Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 45, as amended herein, and recommends that it be recommitted to the Committee on Judiciary for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 45, H.D. 1.

Signed by all members of the Committee except Representatives Hiraki, Peters and Cavasso.

SCRep. 102 Water and Land Use and Ocean and Marine Resources on H.B. No. 33

The purpose of this bill is to provide for a better coordinated shoreline and ocean waters enforcement program with regard to recreational activities by transferring the marine patrol program from the Department of Transportation to the Department of Land and Natural Resources.

Your Committees find that the management of our ocean recreation activities has received much public attention over the past year during which the Department of Transportation finalized its statewide ocean recreation management plan. Although rules have been in place since October 1, 1988, and although it is well known that the present level of enforcement is woefully inadequate, your Committees find that the State Administration is not moving expeditiously to remedy the problem.

The State Administration opposed this bill. The Department of Transportation maintained that it may be premature to institute changes in enforcement jurisdiction until the Hawaii Ocean and Marine Resources Council has had an opportunity to address the ocean recreation problem as part of its overall management planning process. The Department of Land and Natural Resources also recommended that the marine patrol program should remain with the Department of Transportation at this time.

Five marine patrol officers supported the intent of this bill. These officers perceived several problems with the present program including, but not limited to, the following: the lack of manpower, equipment, training, and functional guidelines; the lack of full police powers to enforce all laws of the State; and a Harbors Division that is apathetic, works under a crisis intervention philosophy, and lacks a concept of modern progressive enforcement.

It is with a sense of frustration over the State's inadequate attempts to properly manage ocean recreation activities that your Committees recommend this measure to the Committee on Labor and Public Employment.

Your Committees on Water and Land Use and Ocean and Marine Resources are in accord with the intent and purpose of H.B. No. 33 and recommend that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committees.

SCRep. 103 Water and Land Use on H.B. No. 30

The purpose of this bill is to establish a Hawaii historic preservation special fund to enhance and preserve elements of our past that should be integrated into our daily living. This bill also appropriates \$500,000 to be deposited into this fund.

Your Committee finds that a number of historic resources in the State are in need of maintenance and renovation especially with the disappearance of federal matching grants-in-aids after 1983. The establishment of this special fund would help to eliminate the need to make special appropriations on a case-by-case basis, and it would also allow for planned programming.

The Department of Land and Natural Resources (DLNR), the Historic Hawaii Foundation, the Society for Hawaiian Archaeology, as well as Nancy Bannick and Michael Molloy all testified in support of this bill.

Your Committee finds that much can be gained by having DLNR administer the fund and delegate the actual operation of the fund to an organization such as the Historic Hawaii Foundation. These advantages include: greater operational flexibility to meet changing community needs; a reduction in bureaucratic procedures; more efficient use of volunteers; and greater likelihood in soliciting private sector donations. Your Committee further finds that substantially increasing the size of the special fund beyond \$500,000 more accurately reflects the real needs related to historic preservation. For example, in a recent assessment of preservation projects currently in need of financial support, the Historic Hawaii Foundation identified 32 projects that required some \$3,000,000.

Accordingly, your Committee has amended the bill by: replacing the appropriated sum of \$500,000 with \$15,000,000 to provide a long-term solution to the problem; and inserting language in line 20, page 2 that provides DLNR with the flexibility to delegate the operation of the fund to a private or public agency.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 30, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 30, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104 Water and Land Use on H.B. No. 406

The purpose of this bill is to require hunters born after December 31, 1971 and all first-time licensees to successfully complete a Hunter Education Program.

Your Committee finds that educating hunters in outdoor safety and the use of firearms will help reduce the rate of accidents and conserve our state's natural resources for future enjoyment.

Your Committee has amended the bill by changing the effective date to July 1, 1990. The lag period, between the bill's approval and its effective date, will allow the hunting public sufficient time to comply with the new requirements.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 406, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105 Water and Land Use on H.B. No. 628

The purpose of this bill is to appropriate the sum of \$100,000, or so much thereof to initiate a program to improve the statewide rainfall and flood information system.

A key conclusion reached by the inter-agency hazard mitigation task force, established after the flooding disaster of December 31, 1987, called for the increased capability of local civil defense agencies to monitor heavy rainfall situations.

Your Committee finds that the proposed program would greatly enhance these agencies' abilities for decision making and response action by telemetering rainfall data from designated rain gauges to the central weather forecasting office, and by automatically notifying the civil defense system whenever predetermined limits of rainfall were exceeded. The availability of this information would significantly assist our civil defense agencies to carry out their job of saving lives and minimizing property damage.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 628 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106 Water and Land Use on H.B. No. 975

The purpose of this bill is to meet the growing needs of Oahu residents for more beach recreational opportunities by appropriating planning funds for the establishment of a Ka Iwi Scenic Shoreline Park to be located between Koko Head and Makapuu Point in east Honolulu.

Your Committee received strong support for this bill from the Department of Land and Natural Resources (DLNR), Hawaii's Thousand Friends, Luciano Minerbi, and Marion Kelly. DLNR noted its interest in establishing such a scenic shoreline park in the Koko Head-Makapuu area which would tie in with the 40-acre parcel at Makapuu Head recently acquired from the Federal Government. According to Luciano Minerbi, Oahu has not kept up with the rest of the State in terms of available recreational opportunities. He testified that Oahu has the lowest ratio of recreational acreage per 1,000 population in the State. Accordingly, the development of the proposed park will contribute much needed recreational opportunities, especially to families on limited budgets who reside in crowded living conditions. Finally, Marion Kelly stressed the importance of converting the Koko Head-Makapuu area into a park, because there are only a few undeveloped shoreline areas left on Oahu that are readily accessible to our large urban population.

Your Committee finds that the development of more recreational opportunities must keep pace with our rapidly growing population especially in areas, such as the Koko Head-Makapuu region, that offer a rich variety of natural resources within easy access of a large urban population.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 975 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107 Water and Land Use on H.B. No. 32

The purpose of this Act is to establish a Division of Historic Preservation within the Department of Land and Natural Resources and to provide the necessary funds and personnel to implement this reorganization.

Your Committee finds that the present status of the Historic Preservation program as a section within the Division of State Parks, Outdoor Recreation and Historic Sites is unduly placed. Having the immense and critical responsibilities of protecting Hawaii's archaeological, religious, and cultural treasures, regulating archaeological activities, acquiring properties, as well as promoting research and publications on historical and cultural resources, your Committee finds that the elevation of the program to a departmental division will facilitate a more aggressive posture on the part of the program.

Your Committee has amended H.B. 32 by keeping the original language in Section 3, page 4, lines 17-20 and page 5, line 5, in order to retain the position of the State Historic Preservation Officer at the cabinet level.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108 Water and Land Use on H.B. No. 31

The purpose of this bill is to require each county to maintain on their real property tax maps the following information: 1) historic sites listed in the Hawaii Register of Historic Places; 2) historic sites previously listed in the Hawaii Register but removed in 1980 because of procedural inadequacies related to owner notification; and 3) historic sites listed in the National Register of Historic Places. This bill mandates the Hawaii Historic Places Review Board of the Department of Land and Natural Resources (DLNR) to notify current owners of the unlisted sites which were removed from the Hawaii Register in 1980, and to hold meetings to review and re-list, when appropriate, these sites. Finally, this bill appropriates funds to each of the counties to maintain these real property tax maps and to DLNR to re-list the removed sites.

Your Committee finds that the 1988 Legislature passed a bill which would have required the counties to indicate historic sites onto their real property tax maps and which would have directed the Hawaii Historic Places Review Board to begin the task of re-listing the sites which were removed from the Hawaii Register. However, the Governor vetoed the bill, because it did not provide the resources necessary for the counties and the Hawaii Historic Places Review Board to implement the requirements of the bill.

DLNR, the Department of Finance of the City and County of Honolulu, and the Historic Hawaii Foundation all supported the bill. DLNR testified that it has begun to take steps to address the registration concerns mentioned in the bill by notifying property owners on Kauai as well as on the Big Island (South Kona and Kau) of its intent to re-list their lands in the Hawaii Register. The Finance Department pointed out that all appropriations for mapping costs should be made to the City and County of Honolulu since it "...is currently responsible for the creation and maintenance of the tax maps for all counties on which the historic sites would most probably be noted within the State."

Upon further consideration, your Committee determines that \$100,000 would be sufficient for the City and County of Honolulu to upgrade all of the real property tax maps to reflect the purposes of this bill. Accordingly, your Committee has amended Section 4 by deleting the appropriations to the Counties of Hawaii, Maui, and Kauai and by re-phrasing the appropriation language to reflect this change.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 31, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 31, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 109 Water and Land Use on H.B. No. 727

The purpose of this bill is to amend the penalty provisions of Section 183D-5, (penalties) Hawaii Revised Statutes, to include violations under Section 183D-61 (Permits to take wild birds, game birds, and game mammals).

Section 183D-61 authorizes the Department of Land and Natural Resources to adopt rules relating to the taking, collecting, or keeping of wild birds, game birds, or game mammals by permit. The problem is that there is no penalty provision for anyone violating the provisions of the permit. Under this bill, violations would be treated as misdemeanors, and sentences would be based on the number of previous convictions. In addition, the penalty provisions under Section 183D-5 would also apply to all administrative rules adopted under Chapter 183D.

The Department of Land and Natural Resources supported this "housekeeping" measure.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 727 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 110 Water and Land Use on H.B. No. 533

The purpose of this Act is to amend the State Water Code by increasing from \$1,000 to \$5,000 the maximum fine that the Commission on Water Resource Management may impose for violations of the Water Code provisions.

Your Committee finds that this amendment will serve to discourage violations and raise individual awareness of the Water Code's permit requirements and the State's goal of protecting Hawaii's instream resources.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 533 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 111 Water and Land Use on H.B. No. 1413

The purpose of this bill is to ensure adequate hiking and other recreational opportunities in the State by strengthening the Statewide Trail and Access System. This bill amends Chapter 198D (Hawaii Statewide Trail and Access System), Hawaii Revised Statutes, by:

1. Authorizing the Department of Land and Natural Resources (DLNR) to enter into agreements with private landowners in order to develop and manage trails or accesses located wholly or partially on private lands;
2. Specifying criteria and standards for the planning and development of trails and accesses; and
3. Absolving adjoining property owners of liability from actions taken by trail or access users.

DLNR supported the bill except for provisions relating to the establishment of planning and development criteria. According to DLNR, it has begun to implement the Statewide Trail and Access System authorized by the 1988 Legislature, including the establishment of island advisory councils to work with DLNR staff in the development of similar guidelines and standards. In order to give the advisory council members the opportunity to do their jobs, DLNR concluded that it would be premature to legislatively establish planning and development criteria at this time.

The Sierra Club opposed the bill on the grounds that such legislation may tend to hinder efforts already underway to develop the Statewide Trail and Access System.

Upon further consideration, your Committee concurs with the DLNR and has deleted provisions of the bill relating to the establishment of planning and development criteria of trails and accesses.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1413, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 112 Human Services on H.B. No. 67

The purpose of this bill is to provide funds for youthful offender programs that are aimed at reducing the inmate population of the youth correctional facility by offering youth an opportunity to learn skills, free themselves from drug dependency, help them make the transition into society and provide them with decent facilities and programs while they are wards of the state.

Your Committee finds that these programs will serve as suitable alternative to incarceration, or will improve the treatment received by those youth who must remain in the youth correctional facility. The Committee feels it is important to extend the funding for these programs for both years of the biennium and added language for a group transition program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 67, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 67, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 113 Human Services on H.B. No. 65

The purpose of this bill is to amend Section 346-29, Hawaii Revised Statutes, in order to set the resource allowance and monthly maintenance needs allowance for a community spouse in compliance with the Medicare Catastrophic Coverage Act of 1988, as amended. This would reduce the number of situations in which the medicaid program, as it applies to nursing home costs, causes either the unnecessary destitution of families, or the dissolution of marriages.

Upon consideration of the testimony submitted, your Committee has amended the bill by amending Section 346-29 by adding a new subsection which establishes, pursuant to the Medicare Catastrophic Coverage Act of 1988, as amended, (1) that the resource allowance for a community spouse shall not exceed \$60,000 or such higher amount as determined by the Secretary of Health and Human Services by means of indexing, and (2) that the monthly maintenance needs allowance for a community spouse shall not exceed \$1500 or such higher amount as determined by the Secretary of Health and Human Services by means of indexing.

Your Committee has also made technical, nonsubstantive changes to the bill for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 65, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114 Human Services on H.B. No. 444

The purpose of this bill is to discover how the State of Hawaii can maximize its use of the medicaid program, to benefit the health of the people of the state, by authorizing the establishment of a medicaid research and development unit within the Department of Human Services.

Your Committee heard testimony indicating a wide range of support for the idea of a unit devoted to exploring ways in which health care could be expanded and improved through greater and new uses of the medicaid program. The testimony indicated there was a great deal of concern about the quality of health care currently being received by medicaid recipients. The Committee agreed with the suggestion that this unit should have a broad based advisory board representing the interests of consumers, providers, professional associations and members of the community at large.

Your Committee has amended the bill to add a section providing for additional study of this issue by the Legislative Auditor to outline the major problems, make recommendations to the legislature and to lay out a course of study for the medicaid research and development unit. The amendment includes an appropriation of \$50,000, to fund the study in fiscal year 1989-1990.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 444, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 115 Human Services on H.B. No. 321

The purpose of this bill is to fund a pilot pre-retirement preparation project for state employees.

Appropriate transition services contribute to planned life adjustments on the part of retiring employees. And as the older adult population is growing significantly, this growth is leading to an accompanying increase in service and program needs, including long-term care.

Your Committee finds that current formal retirement planning activities are limited in scope and duration and greater efforts are needed to educate employees about the aging process to empower them to confront and prevent certain problems they may face as they age. This bill would provide needed funding for a State employer pilot pre-retirement preparation project to accomplish these objectives.

Your Committee has amended this bill by inserting a specific appropriation amount of \$50,000.

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

Signed by all members of the Committee.

SCRep. 116 Human Services on H.B. No. 68

The purpose of this bill is to provide stipends for foster parents in a program that allows them to give their foster children nurturance, physical care, understanding, and techniques to deal with the child's needs and problems.

Your Committee heard testimony from a number of state agencies as well as private agencies, professional associations and concerned individuals. All testimony acknowledged the difficult job done by foster parents and the need to support their efforts.

Your Committee has adopted the recommendations of the Department of Human Service to use this appropriation for therapeutic foster homes to address the needs of medically fragile or difficult children. The funds will establish clusters of therapeutic foster homes where foster parents are specially trained and paid to provide extraordinary care.

Your Committee agrees that this program should be available state-wide during the next biennium and has amended the bill to appropriate the sum of \$429,788, for fiscal year 1989-90 for three clusters of homes, and \$969,284, or so much thereof as may be necessary for fiscal year 1990-1991.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 68, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 117 Human Services on H.B. No. 357

The purpose of this bill is to establish a statewide community college training program for family caregivers and respite workers and a program component to provide day care services for the elderly while their caregivers attend training sessions.

Your Committee finds that while caregiving can be a rewarding endeavor, elderly caregiving training is necessary to help prevent "caregiver burnout." Support for caregivers through educational and respite services is critical.

Programs that are oriented toward building these skills currently exist in the State. However, these educational programs need to be coordinated and tailored to address specific family caregiver needs. In addition, to guarantee the attendance of caregivers, day care services must be provided for elders while their caregivers receive instruction.

Your Committee received testimony supporting this bill from the Department of Health, the University of Hawaii, the Executive Office on Aging, and the Kokua Council.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 357 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 118 Human Services on H.B. No. 141

The purpose of this bill is to establish a stipend program for individuals who provide care in their homes for elderly relatives.

It is universally agreed that the most salient form of long-term care of the elderly is care by family members. The Legislature has long supported the Department of Health in its development of services and other measures that will encourage community-based care and allow long-term clients to remain in a home atmosphere.

Your Committee finds that it would be detrimental to elderly patients to limit their ability to socialize by attending adult day care centers. In addition, elderly patients often need more time to recover from temporary episodes of illness, and families may need respite if they are successfully cared for intermediate-care facility level clients. Thus, a twenty-nine day limit for intermediate and skilled care alone may be too short.

Accordingly, your Committee has amended this bill by removing the requirement that applicants cannot claim a stipend if the elderly relative is placed in any professional day care center or intermediate-care or skilled nursing facility for more than twenty-nine days during the taxable year.

Your Committee has also amended this bill to reflect that the Department of Human Services will be the expending agency for the appropriated sum.

Technical, nonsubstantive amendments were also made for the purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119 Human Services on H.B. No. 64

The purpose of this bill is to establish a special fund to be known as the long term care service development fund to promote the establishment, reorganization, and/or expansion of profit and non profit businesses offering community-based long term care services. The bill also requests a study on how these businesses can participate in the provision of such services and provides for training and business plan development.

Your Committee heard testimony indicating that specific references to in-home services were unnecessary, and that both profit and non profit organizations would benefit from the legislation. Your Committee agrees with those recommendations and has amended the bill to include those references. Your Committee further amended this bill to make the long term care service development fund a special fund in the treasury of the state.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 64, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120 Human Services on H.B. No. 436

The purpose of this bill is to appropriate funds to increase the reimbursement for dental health services in areas of the state where service is inadequate.

Your Committee has amended this bill to specify that the funds are only to be used in those areas determined by the department of human services as having an inadequate amount of dental health services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 436, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 121 Human Services on H.B. No. 69

The purpose of this act is to establish the child care task force and the position of child care-early childhood education administrator within the office of children and youth. In addition the act provides for a two year pilot program of providing preschool tuition waivers for children in targeted areas, and appropriations for other child care programs.

Your Committee heard testimony from many community groups on the need for State participation in addressing the problems of child care-early childhood education availability, quality and affordability. Your Committee feels some of the suggestions made at the hearing should be incorporated into the bill and has made additional appropriations for programs in child care-early childhood education.

Your Committee has added language requesting that the child care-early childhood education administrator address the issue of developing standards to measure the quality of child care in both the pilot project establish by this act, and in developing a state-wide system of early childhood programs. Your Committee has also amended the bill so that the preschool tuition waivers are provided on a sliding scale based on an income means test.

Your Committee has also made technical, nonsubstantive amendments to the bill for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 69, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122 Water and Land Use on H.B. No. 35

The purpose of this bill is to appropriate funds to design and construct the Kakaako Waterfront Park which represents an important element in the first phase of the Honolulu Waterfront Master Plan.

Your Committee finds that the creation of a "lei of green" through a system of parks and landscaped promenades along the water's edge between the Ala Wai to Keehi Lagoon is a major component of the Honolulu Waterfront Master Plan that deserves strong legislative support.

Upon further consideration, your Committee finds that support should be given not only to the Kakaako Waterfront Park but to other recreational projects along the waterfront that the public can immediately benefit from. Accordingly, your Committee has amended the bill by:

1. Adding an appropriation of \$6,435,000 in fiscal year 1989-1990, for the development of a canoe race complex at the northeast corner of Keehi Lagoon;
2. Adding an appropriation of \$3,175,000 in fiscal year 1989-1990, for the first phase development of a 40-acre park between Pier 60 and the northeast corner of Keehi Lagoon; and
3. Revising the purpose section of the bill to conform to these amendments.

Your Committee has further amended the bill by reducing the \$25,000,000 appropriation for the Kakaako Waterfront Park to \$13,800,000. The Office of State Planning recommended this revised figure as a more accurate price for the first phase of development.

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

Signed by all members of the Committee.

SCRep. 123 Water and Land Use on H.B. No. 1337

The purpose of this bill is to appropriate funds for the purchase of ten stream flow gauges and ten rainfall gauges to be installed in windward Oahu.

Your Committee received testimony from the Department of Land and Natural Resources and the Board of Water Supply, city and county of Honolulu. The testimony from the Department of Land and Natural resources indicated that there is a need for more stream flow gauges and rainfall gauges in windward Oahu. The testimony of the Board of Water Supply, city and county of Honolulu, indicated that the data from the stream flow gauges and rainfall gauges are important to carry out an effective instream flow program, especially in the windward area where the State Commission of Water Resources Management has adopted interim instream standards for that area.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1337 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 124 Water and Land Use on H.B. No. 1049

The purpose of this bill is to appropriate out of the general revenues the sum of \$75,000, or so much thereof as may be necessary for fiscal year 1989-1990 and the sum of \$75,000, or so much thereof as may be necessary for fiscal year 1990-1991 for the purchase of services to develop and implement interpretive programs related to historic preservation and targeted for schools.

Your Committee heard testimony from the Department of Education, the Department of Land and Natural Resources, The Friends of 'Iolani Palace, the State Historic Preservation Office, The Cemetery Research Project, and the University of Hawaii in support of the measure. Testimony indicated that the interpretive programs would better inform the school population about the historical and cultural heritage of Hawaii and the value of preserving the historical and cultural resources of our Islands.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1049 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 125 Water and Land Use on H.B. No. 392

The purpose of this Act is to amend Section 103-8, Hawaii Revised Statutes, to include any project developed by the Hawaii Community Development Authority in the Kakaako district.

Section 103-8 appropriates one per cent of the original amount of construction of any state building for the acquisition of works of art. Your Committee finds that this amendment will enable the State Foundation on Culture and the Arts to secure additional funds for the acquisition and commissioning of art works that will immeasurably enhance the development of Kakaako.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 392 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 Stegmaier.

SCRep. 126 Human Services on H.B. No. 390

The purpose of this bill is to amend Section 346-29, Hawaii Revised Statutes, to preclude the inclusion of any restitution made to individuals under Title I of the Civil Liberties Act of 1988, PL 100-383, as income or resources when determining public assistance eligibility.

Your Committee received testimony in support of the bill from the Department of Human Services, the Honolulu Chapter of the Japanese American Citizens League, and an individual whose mother is receiving public assistance and also is an eligible recipient of redress payment under Title I of the Civil Liberties Act of 1988, PL 100-383.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 390 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 127 Education on H.B. No. 93 (Majority)

The purpose of this bill is to provide teachers five working days for preparation prior to the first day of instruction, and five working days of in-service training during the school year.

The time spent by teachers to prepare for each school year has a significant impact upon the quality of instruction. In-service training is also important to instructional development. Presently, most teachers make great efforts in preparation and training on a voluntary basis.

The Department of Education and the Hawaii State Teachers Association opposed this bill on the grounds that a legislative mandate to provide extra working days for preparation or in-service training would violate the collective bargaining process.

The Office of Children and Youth also expressed concern that providing in-service training during the school year would create difficulties for parents, who would have to obtain child care for children during in-service training days.

Your Committee notes that the section of this bill which mandates the Department of Education to provide extra working days for preparation and training does not go into effect until July 1, 1991. This will allow the Department of

Education and the Hawaii State Teachers Association to negotiate this matter with the understanding that the Legislature supports the concept of additional working days for teachers in our public schools.

We are hopeful that the Hawaii State Teachers Association and the Department of Education will carefully consider the needs of students and parents in determining the times at which in-service training is provided.

Your Committee finds that the present move toward educational reform greatly increases the need for preparation and training time for public school teachers. We also believe that teachers should be compensated for preparation and training time.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 93 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 128 Education on H.B. No. 592

The purpose of this bill is to bring the Bishop Museum's portable planetarium to all the schools in the state and for an astronomy and earth science program.

During the past academic year over seven thousand Oahu students visited planetarium programs at Bishop Museum as part of organized school field trips. However, fewer than one hundred students visited from the neighbor islands. This measure would provide funds for the Department of Education to purchase a portable planetarium, transport it to each neighbor island twice a year, and train teachers in its use.

The Department of Education, the Department of Business and Economic Development and Bishop Museum testified in favor of this bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 592, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 592, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129 Education on H.B. No. 1793

The purpose of this bill is to provide funds for one or more temporary libraries during the time the main library is being repaired and renovated.

Your Committee received testimony in favor of this measure from the State Librarian, The Librarians Association of Hawaii, the Downtown Improvement Association, the Friends of the Library of Hawaii and many individuals.

This bill has been amended to include an appropriation of \$600,000, which the State Librarian submitted to your Committee as an estimate of the costs of rent, repair, renovation, transportation, furniture, fixtures and equipment.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1793, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130 Education on H.B. No. 672

The purpose of this bill is to establish a library revolving fund into which moneys collected as fines for overdue books and payments for lost or otherwise unreturned books are deposited. Moneys in the library revolving fund would be used to purchase books or other library materials.

Under current law moneys collected as fines or payments for unreturned books are deposited in the State general fund. This bill will allow the State Library to use revenues from these sources to purchase books and other materials to renew its collection.

Your Committee received testimony supporting a library special fund from the State Librarian and the Friends of the Library of Hawaii. The Hawaii State Teachers Association supported the bill, but recommended it be amended to provide for expenditure of these funds by the State Library System.

This bill has been amended to establish a special fund rather than a revolving fund to assure that fines will be expended during the fiscal year in which they are collected. It has also been amended to provide for expenditure of these special funds by the State Librarian rather than by legislative appropriation.

Your Committee intends that moneys in this special fund be used to replace or repair lost, damaged, stolen or outdated books, serials, periodicals, or other library materials. The words, "other library materials" means any materials for reference or circulation which can be used by the patrons of the public libraries.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 672, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 131 Education on H.B. No. 322

The purpose of this bill is to refine and expand the senior resource inventory demonstration project.

Testimony was received from the Department of Education, the Executive Office on Aging, the American Association of Retired Persons, the Volunteer Information and Referral Service, and the Healthcare Association of Hawaii in support of this measure.

The appropriation in this bill will provide for the development of a pool of at least one hundred senior volunteers to be trained and placed in Oahu public schools over a two year period. This bill has been amended to clarify the specific purpose of this appropriation.

Your Committee finds that older persons offer many years of life experience and wisdom that can be of great benefit to teachers and students in public schools.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 132 Human Services and Health on H.B. No. 845

The purpose of this bill is to establish a program of early intervention services for infants and toddlers with special needs.

Your Committees received voluminous testimony concerning H.B. No. 845, all of it indicating the importance of early intervention services in the development of young children with special needs. Representatives from the Department of Health and other agencies serving children with special needs suggested there was also a need for case management services, and a need to gather information on early intervention services in one locale for easy reference. Your Committees agreed those were important considerations and have amended the bill to include an appropriation for case management services and a central directory of services.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 845, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 845, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 133 Human Services on H.B. No. 1624

The purpose of this bill is to provide for a state-wide conference on children, youth and families. The conference will provide an overview of the progress of the past decade; and provide structure for the future by identifying areas of concern, emerging problems, and encouraging initiatives. The bill appropriates \$50,000 as matching funds for logistical and program expenses in fiscal year 1989-1990.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1624 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134 Human Services on H.B. No. 1623

The purpose of this bill is to establish a secured short-term residential facility to ensure the appropriate evaluation, planning and disposition of adolescents who are currently inappropriately admitted to the adolescent unit of the Hawaii state hospital because the court desires a degree of security or confinement.

Your Committee finds that this is a needed facility that will house no more than five adolescents, for a period of 30 days or less while they undergo evaluation. Your Committee supports this measure with the understanding that by its actions it does not intend to supplant the budget priorities of the Committee on Health.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1623 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 135 Human Services on H.B. No. 1229

The purpose of this bill is to amend Section 346-53, Hawaii Revised Statutes, to increase the amount of income working families can earn without losing their eligibility for financial assistance. The bill would allow working families receiving public assistance to take home earnings in amounts up to 65 percent of the poverty level, rather than the current 60 percent, without losing their benefits.

While your Committee received testimony in overwhelming support of this bill, the Department of Human Services indicated that funds in the amount of \$3,800,000 would be required if the assistance allowance was based on the increased standard of need percentage provided for in this bill.

Your Committee has therefore amended the amount appropriated to \$3,800,000 for the Department of Human Services to carry out the purpose of this bill.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136 Human Services on H.B. No. 622

The purpose of this bill is to amend Chapter 235, Hawaii Revised Statutes, to provide a tax credit to employers offering child care assistance to their employees, thereby increasing the affordability of child care for the working people of Hawaii and enabling more parents to return to the workforce.

Your Committee received testimony from the Office of Children and Youth and the Hawaii Association for the Education of Young Children supporting the bill but expressing concern that the measure's current language might allow the use of nonlicensed child care service providers. This would be contrary to the Legislature's intent of ensuring that only the highest quality child care be provided to the children of Hawaii.

This bill has therefore been amended to require that a tax credit only be allowed for services performed by a licensed provider, when a licensure requirement exists for the provision of child care services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 622, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137 Human Services on H.B. No. 441

The purpose of this bill is to provide supplemental payments to families who receive funds from the Aid to Families with Dependent Children (AFDC) program or general assistance programs, when one or more family members lose their jobs, or suffer a reduction in employment hours.

While your Committee received considerable testimony in general support of this bill, the Department of Human Services expressed some reservations concerning the cost of providing supplemental payments of this type. However, your Committee while cognizant of the financial implications, is of the definite opinion that this bill would fill a critical need not currently being addressed by existing AFDC and general assistance programs.

Your Committee has therefore amended this bill by adding: (1) an appropriation section; and (2) a section designating the Department of Human Services as the expending agency. The previously blank appropriation section has been amended with the insertion of a nominal \$1. The specific dollar amount will be inserted at a later date when more accurate financial data is available.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 441, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 138 Human Services on H.B. No. 1626

The purpose of this bill is to provide funding for the primary counseling program for children at risk of delinquency.

Your Committee heard the testimony of many individuals involved in the projects at Kalihi, Kalihi-uka, Kaewai, Kalihi-waena, and Linapuni elementary schools. Your Committee feels this program is valuable to the students involved and would like to see it continue. Your Committee has amended the bill to provide an appropriation of \$260,000 for fiscal 1990-1991, and has decided that the department of human services is the most appropriate expending agency.

Members of your Committee also expressed the desire to see now this program could be expanded to serve elementary schools in other areas of the state.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1626, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139 Human Services on H.B. No. 1253

The purpose of this bill is to establish a loan fund for elderly and disabled persons to make design alterations on their place of residence.

Your Committee heard testimony from many of the agencies that are involved with existing, related loan programs. They suggested a name change for the fund and they raised the issue of the need for the expending agency to promulgate rules and regulations. Your Committee has the expressed desire to see that those rules and regulations, and the administration of the program are designed to serve those in the designated population with the lowest incomes.

Your Committee has amended the name of the fund to fully reflect the client population it will serve. Your Committee has also added a section to ensure the promulgation of rules and the Committee's concern with loan availability to low income elderly and disabled.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1253, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140 Human Services on H.B. No. 1164

The purpose of this bill is to amend Part VI of Chapter 235, Hawaii Revised Statutes, to provide a tax credit to employers offering childcare assistance to their employees, thereby increasing the affordability of childcare for the working people of Hawaii and enabling more parents to return to the workforce.

While testimony from the Office of Children and Youth (OCY), the Hawaii Association for the Education of Young Children (HAEYC), the Hawaii Women's Political Caucus, and the Chamber of Commerce was in general support of this bill, certain amendments for clarity were proposed. Specifically, the Chamber of Commerce suggested that a ceiling of \$1,250 be established as the maximum amount of tax credit allowed for each child of an employee. In addition, OCY and HAEYC suggested that if the State required a license for the provision of a childcare service, the tax credit be restricted to services from licensed providers.

As a result, your Committee has amended the bill by restricting the credit for 50 percent of the employer's childcare expenses to a maximum eligible amount of \$2,500 per child. Under this provision, any amount more than \$2,500 would not be counted as a qualifying childcare expense, and the maximum amount of credit an employer could receive would be \$1,250 for each child of an employee. The bill has also been amended to restrict childcare tax credits to services provided by a licensed provider, when applicable.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1164, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141 Human Services on H.B. No. 911

The purpose of this bill is to provide for the treatment of incarcerated sex offenders.

Your Committee has amended the first section of this bill by amending Section 353-6, Hawaii Revised Statutes, to provide that each community correctional center shall provide for committed persons, correctional services including sex abuse education and treatment programs for persons convicted of sexual offenses or who are in need of those programs

Your Committee has further amended this bill to increase the appropriation for services to \$400,000 for each year of the biennium, and has listed appropriations for five community correctional centers, a state-wide director, and a state-wide assessment of the programs.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 911, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 142 Human Services on H.B. No. 829

The purpose of this bill is to amend Chapter 346-53, Hawaii Revised Statutes, to: (1) increase the amount of Hawaii's supplemental security income payment at the same rate that the federal payment has been increased retroactive to the establishment of the state supplement in 1974; and (2) ensure that the state supplement is adjusted annually to match any changes in the state's rate of inflation.

While your Committee received testimony from the Committee on Welfare Concerns, Hawaii Centers for Independent Living, the National Association of Social Workers, Catholic Charities, the Department of Human Services, and the Executive Office on Aging in support of this bill, the Department of Human Services noted in its testimony that supplementary security income payments are divided into several payment levels and of these only the state payment levels to those designated by the Department as Living Arrangement A (persons living in individual arrangements) and Living Arrangement B (persons living in the household of another) have remained static since 1974. The Department suggested that if these groups were the intended beneficiaries that amendments be made in the bill to reflect this. The Department also suggested that the effective date be changed to October 1, 1989 to enable the Department to negotiate the changes in payment levels with the Social Security Administration.

As a result, your Committee has amended the bill by designating that payments be increased only for persons in Living Arrangements A and B, as specified above, and that the effective date be changed to October 1, 1989.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 829, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 143 Labor and Public Employment on H.B. No. 1913

The purposes of the bill are 1) to expedite the formal administration review process for recruitment and examination purposes, particularly for job applicants who possess criminal convictions; and 2) to expand the factors which may be considered when evaluating the suitability of individuals with criminal convictions for public employment.

This proposal will require the central civil service personnel agencies to conduct an appropriate investigation and provide applicants with the opportunity to meet with the agency before a decision is made. Subsequent to the decision, the applicant may pursue an appeal with the Civil Service Commission.

The bill further provides for the expansion of factors to determine the suitability of applicants for public employment, including work record, involvement in community services, rehabilitation programs, employment training and other similar programs.

Favorable testimony in support of this bill was submitted by the Department of Civil Service.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1913 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 144 Labor and Public Employment on H.B. No. 1853

The purpose of this bill is to adjust the mechanism by which rates for related shortage category classes are determined, and to provide retention adjustments for senior workers in shortage categories.

Section 77-9, HRS permits the establishment of shortage categories and a raised hiring rate whenever there is a labor market shortage. The statutes also permit establishing related shortage categories in order to "preserve internal relationships within the series." The prescribed mechanism limits related shortage adjustments to "not more than 5% for each succeeding higher level class." In the past, the practice of providing no more than 5% was consistent with results of other pay transactions, particularly promotion, because pay rules and schedules provided for 5% differentials. The 5% maximum is no longer appropriate because negotiated salary schedules no longer reflect 5% differences between steps and ranges and because promotional increases are no longer limited to the equivalent of a single 5% step, but are usually a 2-step or 8 to 9% increase. The proposed mechanism for determining the differential for related classes will permit existing supervisors to receive differentials equivalent to those received by new promotees.

The second portion of the bill seeks to enhance retention of existing workers in shortage category occupations. The present statute provides only for a raised hiring rate. Thus, existing experienced workers and newly hired workers may be paid the same rate. As a result, existing workers are demoralized and perceive no benefit from having remained in their jobs. The proposal seeks to provide temporary differentials, on a diminishing basis, to existing employees already at or above the adjusted hiring rate in order to promote retention of existing workers in shortage occupations.

Favorable testimony in support of this bill was submitted by the Department of Personnel Services and the Hawaii Government Employees Association.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1853 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145 Labor and Public Employment on H.B. No. 77

The purpose of this bill is to establish the Martin Luther King, Jr., celebration commission to preserve the memory of this great leader who changed the course of our country.

Your Committee received overwhelming community support in 1988, when it heard testimony for the bill establishing the third Monday in January as a state holiday honoring Dr. King. Once again, people of all ages and nationalities testified, this time supporting the measure to ensure the success of this new state holiday by establishing a commission to commemorate Martin Luther King, Jr., Day.

Concerns were raised over the amount of the proposed funding for the new commission. The proposed commission is patterned after the King Kamehameha celebration commission, which does not include an executive director position. Taking into account this concern, your Committee has amended this bill to remove the position of executive director and to delete the appropriation of \$228,000 for the fiscal biennium to a blank amount to be determined at a later date.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 77, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 77, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 146 Labor and Public Employment on H.B. No. 457

The purpose of this bill is to change the factor used in determining maximum and minimum weekly benefits for dependents as described in Section 386-41, Hawaii Revised Statutes, from .667 to .6667.

Your Committee finds that this change would be consistent with the factor (.6667) currently used in computing total disability and partial disability benefits as prescribed by Sections 386-31 and 386-32, Hawaii Revised Statutes.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 457 and recommends that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 147 Labor and Public Employment on H.B. No. 1231

The purpose of this bill is to make permanent ten limited-term appointed public health nurse positions in the Case Management Coordination Program and strengthen each program located in Maui, Kauai, and rural Oahu.

Your Committee received favorable testimony supporting this bill from the Department of Health, the Hawaii State Legislative Committee of the American Association of Retired Persons, the Founders Group of the Kokua Council for Senior Citizens of Hawaii, and others.

Technical, nonsubstantive amendments were also made for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 1231 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 148 Labor and Public Employment on H.B. No. 1351

The purpose of this bill is to make the State of Hawaii responsible for workers' compensation coverage whenever an exceptional child undertakes to perform work for a private employer as part of the child's instructional program.

Your Committee finds that this bill would encourage employers to participate in work programs that provide special training for exceptional children since the State would take responsibility for work injuries for the purpose of workers' compensation coverage.

This bill has been amended by clarifying the term "exceptional children" to assume the definition found in Section 301-21, Hawaii Revised Statutes.

Your Committee received testimony from the Department of Labor and Industrial Relations, the Department of Human Services, the State Planning Council of Developmental Disabilities, the Commission on the Handicapped, the Rehabilitation Association of Hawaii, and others supporting the intent of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1351, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149 Labor and Public Employment on H.B. No. 1859

The purpose of this bill is to provide one additional deputy in the Department of Taxation to perform the duties assigned by the Director of Taxation and approved by the Governor. The position would be that of second deputy.

Your Committee finds that the Department of Taxation has undertaken numerous new initiatives to address taxation in the State. The Department has started the process of centralizing the filing of tax returns on Oahu. This will allow neighbor island staff to perform the technical functions now devoted to clerical duties. The Department has initiated the integration and updating of the general excise/transient accommodations tax systems along with the withholding system. The Department has been reorganized to enhance delinquent collections and enforcement of the law regarding nonfilers by placing them in a separate division.

The current deputy is in charge of line operations. In order to assist in implementing and carrying out the above initiatives and to initiate and carry out administrative management programs and technical education, the addition of a second deputy will be an important asset for departmental operations. In addition to working on these initiatives, the second deputy will be able to provide clear direction to the neighbor island offices from the Director's office instead of the neighbor island offices having to deal with a coordinator or division head as presently established. This will substantially assist neighbor island operations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1859 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 150 Labor and Public Employment on H.B. No. 1882

The purpose of this bill, as received by this Committee, is to delete references to the Post Retirement Fund pursuant to Act 41, Session Laws of Hawaii 1988, which merged the Post Retirement Fund with the Annuity Savings Fund. The bill also clarified the definition of average final compensation.

Upon closer review, the Department of Budget and Finance determined that the average final compensation portion of this bill requires further study before corresponding legislature proceeds any further. Accordingly, your Committee has amended this bill to delete the average final compensation amendment provision.

Technical, nonsubstantive amendments were also made to the bill for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1882, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 151 Labor and Public Employment on H.B. No. 1806

The purpose of this bill is to provide the legal basis for the State to offer its employees the opportunity to participate in a wage and salary reduction program that qualifies as a cafeteria plan pursuant to Section 125 of the Internal Revenue Code of 1986, as amended.

Section 125 allows employers to design an array of flexible benefit programs or cafeteria plans, which provide both freedom of choice and tax savings to employees. The State proposes to initially establish a medical premium conversion plan under which employees would be authorized to voluntarily reduce their salaries by the amount of their medical insurance premiums before payroll taxes, thereby providing more "take-home" pay.

Your Committee finds that cafeteria benefit plans will benefit state and county employees, with minimal additional cost to the employers.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1806 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 152 Labor and Public Employment on H.B. No. 1181

The purpose of this bill is to provide any employee of the State or county, who has had prior military service before entering the service of the State or county, the option to purchase two years prior military credit in the Employees' Retirement System after the employee has served for fifteen years in the State or county. After twenty years of service in the State or county, the employee may purchase up to three years. And after twenty-five years of employment with the State or county, the employee may purchase up to four years.

The bill presently provides for the acquisition of military service credit for contributory plan members only. However your Committee finds that the optional purchase should also be offered to noncontributory members as well. Accordingly, this bill has been amended to provide noncontributory plan members the same opportunity. Technical, nonsubstantive amendments have also been made for the purposes of style and clarity.

Your Committee finds that this bill would enhance the morale of those valued public employees who are serving in the National Guard and military reserve.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 153 Labor and Public Employment on H.B. No. 722

The purpose of this bill is to change the date when a penalty can be levied for a default in payment under the terms of a final decision or judgement from thirty-one to twenty-one days after it becomes due. This bill also would change the date when a penalty can be levied for a default in payment of temporary total disability benefits from "within ten days exclusive of Saturdays, Sundays, and holidays," to "within ten days".

This bill will make penalty provisions in Section 386-92 consistent with the twenty-day appeal period set forth in Section 386-87. It will also make penalty provisions in Section 386-92 consistent with the temporary total disability payment requirements in Section 386-31.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 722 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 154 Labor and Public Employment on H.B. No. 708

The purpose of the Administration housekeeping bill is to expand the Health Fund Board of Trustees' authority to contract for various types of dental, prescription drugs, and vision care benefit plans.

According to testimony submitted by the State Director of Finance, the current language of Section 87-22, Hawaii Revised Statutes, is grammatically deficient because of the incorrect use of the term "plan". By using the plural form "plans", the Board of Trustees will be able to contract for various types of employee benefit plans to meet the health care needs of State and county employees.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 708 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155 Agriculture on H.B. No. 771

The purpose of this bill is to amend two sections of the Hawaii Revised Statutes: section 155-8(c) to set the interest rate for class "F" (new farmer program) at six per cent a year, and section 155-9(6) (A) to delete that portion which limits the initial loan for new farmers to the terms specified in classes "A" (farm ownership and improvement loans) and "C" (farm operating loans).

The amendments are proposed to assist more new farmers and to encourage more people to become farmers.

In supporting the bill, the Department of Agriculture reported it has helped 39 new farmers with loans totalling \$2.5 million over the past five years.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 771 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156 Agriculture on H.B. No. 890

The purpose of this bill is to support research on low-input sustainable agriculture through programs funded by the Governor's Agriculture Coordinating Committee. This bill provides for joint research by the College of Tropical Agriculture and Human Resources, the Department of Agriculture, and MacFarms of Hawaii.

Low-input agriculture is an approach to farming using organic materials as well as biological control methods and less of synthetic chemical to cultivate and produce crops on a sustainable basis. The research proposed in this bill will expand the application of current low-input techniques and develop new applications which are economically feasible.

Your Committee heard testimony about some of the successes with this technology on the macadamia nut orchards owned by MacFarms of Hawaii. Your Committee also heard testimony inferring that with less reliance on chemical applications, low-input agriculture will reduce the risks of ground water contamination and lessen the chances of chemical ingestion through consumption of agricultural crops.

Your Committee finds that the research on this alternative growing technology will enhance the vitality of Hawaii's diversified agriculture in an environmentally safe manner.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 890 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 157 Agriculture on H.B. No. 891

The purpose of this bill is to support research on yellow sugar cane aphids through programs conducted by the Department of Agriculture.

The yellow sugar aphid, a sucking insect, has been reported periodically as a significant sugar cane pest in Puerto Rico, Florida, and other Caribbean countries as well as in South and Central America. This pest also infests other crops such as sorghum and wheat in Oklahoma and Texas and common pasture grass in Florida. Crop damages occur through sap loss.

Your Committee heard testimony that this aphid was first discovered on pasture grass in Kona in November, 1988, and subsequently found on sugar cane fields around Ka'u and near the Hilo area. Indications are that this aphid will likely spread to all regions of the island of Hawaii by summer and to all of the other islands by the end of 1989.

Your Committee finds that the yellow sugar cane aphid can become a serious threat to the production of sugar cane as well as to other crops and commonly used forage grasses. A vigorous effort is needed to control this pest through biological means.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 891 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158 Agriculture on H.B. No. 1199

The purpose of this bill is to amend Part I of Chapter 304, Hawaii Revised Statutes, to add a new section on agricultural crops revolving fund.

This bill proposes to establish a revolving fund for the College of Tropical Agriculture and Human Resources (CTAHR) for sales of products from crop research and extension experiments and demonstrations. CTAHR already has revolving funds for animal products and seeds. Revenues from this revolving fund, which are expected to generate approximately \$50,000 per year, are to be used for research programs and services to Hawaii's crop industries.

Your Committee concurs with CTAHR to broaden the types of receipts that can be deposited into this fund by inserting the words "agricultural data bases and video tape publications." on line 8 of this bill.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1199, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 159 Agriculture on H.B. No. 1106

The purpose of this bill is to support a study to determine the reasons for the shortage of poi due to damages to taro crops through programs funded by the College of Tropical Agriculture and Human Resources

Your Committee heard testimony that the reason for the shortage stems from: (1) a soft rot disease on paddy taro caused by fungal pathogens, (2) labor shortages for planting and harvesting that prevent farmers from growing more taro, and (3) the retirement of old-time taro farmers and the reluctance of their offsprings to continue this farming lifestyle.

Your Committee feels that there is a place for poi as a nutritional staple in the diets of the people of Hawaii and that it is important to perpetuate the cultivation of this crop. However, because your Committee has no final figures for the appropriated sum, your Committee has amended the bill by inserting the sum of \$1.00 and leaving final determination of the sum to the Committee on Finance.

Your Committee has further amended the bill by replacing the expending agency from the University of Hawaii with the Governor's Agriculture Coordinating Committee.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1106, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160 Agriculture on H.B. No. 1200

The purpose of this bill is to support the construction of a storage building to house forced air cooler and ice machines at the Kula Vacuum Cooling Plant.

Your Committee heard testimony that because of increases in construction costs, the funds previously appropriated are insufficient to complete the project. Without supplemental funding this project cannot be completed.

Your Committee believes that this worthwhile project should be carried to its completion to give Kula farmers a facility to handle their produce crops for marketing. Your Committee has also determined from testimony that the funding needed to complete the project is \$435,000. Accordingly, your Committee has amended this bill to reduce the construction sum on line 8 from \$500,000 to \$435,000.

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

Signed by all members of the Committee.

SCRep. 161 Agriculture on H.B. No. 1426

The purpose of this bill is to establish an agricultural specialist's position in Kauai County government by providing an unspecified appropriation for this purpose.

Your Committee heard testimony that this specialist's position is a necessary component in Kauai's plans to stabilize, expand, and diversify the island's economy. The specialist will assist in developing, coordinating, and implementing programs which will support Kauai's farmers in their pursuit of diversified agricultural ventures.

Your Committee concurs with testimony for the establishment of an agricultural specialist to assist the county in implementing its crop diversification plan. Since your Committee has no final figures for the sum needed to establish this position, your Committee has inserted the sums of \$1.00 for each fiscal year and left final determination of the appropriation to the Committee on Finance.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1426, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 162 Agriculture on H.B. No. 1608

The purpose of this bill is to support the development of a demonstration aquaculture project at appropriate sites to test its viability as a by-product of the sugar industry.

Your Committee heard testimony that Hawaii needs to broaden the scope of its existing industries through diversification. There are many ways this can be done, but few can be integrated into the existing structure of the sugar industry. Available water, flat lands, infrastructure, equipment, and labor force compatible with the needs of an aquacultural development are already in place.

Accordingly, your Committee finds that what is needed is a demonstration to show how this could be done in an economically feasible and profitable manner. Your Committee, therefore, concurs with the development of this aquaculture project for demonstration purposes.

Your Committee concurs with the recommendation of the Governor's Agriculture Coordinating Committee by changing the expending agency to the Department of Land and Natural Resources in recognition of the Department's involvement in aquacultural research.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1608, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163 Water and Land Use on H.B. No. 1818

The purpose of this Act is to authorize and appropriate \$90,000,000, or so much thereof, for the acquisition of approximately sixty-seven acres of the Kapalama Military Reservation.

Your Committee finds that these lands represent the last large, contiguous area available for waterfront-industrial uses the vicinity of Honolulu Harbor and are critically needed for the expansion of maritime operations.

Your Committee further finds that the U.S. Corps of Engineers is mandated under public law to auction a 44-acre portion in May 1989. This presents an exceptional and perhaps, once-in-a-lifetime opportunity for our State.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1818 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 164 Water and Land Use on H.B. No. 285

The purpose of this bill is to establish controls on certain developers who create "agricultural condominiums" in order to circumvent compliance with county subdivision requirements and not provide the necessary infrastructure. Under this bill, a developer of an agricultural condominium must guarantee that each unit in the project shall only be used for the purposes of agricultural activities in perpetuity; moreover, this information must be disclosed to each purchaser of a condominium unit. In addition, the bill requires that each agricultural condominium project must be divided in two areas, one encompassing only agricultural parcels, and the second encompassing only homesites. Violations to this section shall be a misdemeanor.

Your Committee received testimony from Mark Van Pernis who complained that such circumvention of county subdivision laws is contrary to the intent of the Condominium Property Regime law.

Upon further consideration, your Committee has strengthened the bill by substituting the contents in Section 2 with the following language that restricts any classification of agricultural condominiums:

"No land classified by the State or by any county as "agriculture" shall be subject to or utilized in any horizontal property regime or other condominium property regime provided for by this chapter."

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 285, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 165 Water and Land Use on H.B. No. 34

The purpose of this bill is to create a water assessment special fund and authorize county water boards to collect assessments for the transmission of water.

Your Committee received testimony on this bill from the Department of Land and Natural Resources, the City and County of Honolulu Board of Water Supply, the Land Use Research Foundation of Hawaii, the Natural Resources Defense Council, Jerry Coiner, The Nature Conservancy of Hawaii, and the University of Hawaii Environmental Center.

While many of the testifiers concurred with the intent of the bill to provide sound management for watersheds, there was consensus that the bill should not limit the assessment only to users of the county water systems since all water users would benefit from improved watershed management. Currently, such non-county water system users include the military, plantations and private farmers, and other private water system users.

The second concern of certain testifiers was that if fees are collected from a county, the moneys should be used exclusively to fund watershed improvements in that county.

A third concern was that the proper source of funding for watershed management should rest with the State. Some raised questions about the possible unfairness in requiring counties to be saddled with the responsibility of assessing users when the overall responsibility of watershed management rests with the State.

Finally, your Committee was concerned about whether it was prudent to increase water rates at a time when the State is awash with a large budget surplus.

Upon further consideration, your Committee has amended the bill to address these concerns. These amendments include the following:

1. Deleted all assessment provisions that would have required the counties to assess municipal water users;
2. Renamed the fund as the water resource management special fund;
3. Appropriated \$3,000,000 from the general fund to be deposited into the special fund;
4. Authorized the Commission on Water Resource Management to expend moneys from this fund for the following specific purposes:

- To assist the Department of Land and Natural Resources in the management of State-owned watersheds;
- To acquire real property and easements primarily for watershed-related purposes;
- To engage the services of consultants;
- To authorize or contract for watershed research and management efforts; and
- To compensate commission members for attending commission meetings and for related purposes;
5. Transferred provisions of Section 2 of a related watershed bill, H.B. No. 36, that your Committee also heard which:
- Adds definitions for "hydrographic area" and "watershed;"
- Provides the following additional watershed management duties for the Commission:
- a. Designate hydrographic areas;
 - b. Identify and inventory important watershed lands and provide for the development of a management plan;
 - c. Develop incentives for private landowners to protect their watershed areas;
 - d. Control and eradicate noxious weeds and remove ungulates, when necessary;
 - e. Develop educational programs concerning the importance of and the need to protect watersheds; and
 - f. Enforce rules to implement the requirements;
- Requires the Commission to develop a management plan for all designated hydrographic areas; and
- Requires the Commission to establish local advisory groups on each island to apprise the Commission of the condition of watersheds on their island;
6. Added two additional watershed management duties for the Commission:
- a. Coordinate and integrate watershed protection with the Hawaii water plan; and
 - b. Lease or purchase conservation easements for watershed management purposes;
7. Required the Commission to submit annual reports;
8. Provided Commission members with compensation for attending meetings and for personal expenses in addition to travel expenses; and
9. Revised the purpose section to reflect amendments made to the bill.

Your Committee finds that these amendments ensure that the Commission will have sufficient authority and resources to properly manage the State's water resources, especially the vital watersheds.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 34, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 166 Ocean and Marine Resources on H.B. No. 424

The purpose of this bill is to appropriate funds for site improvements at the Natural Energy Laboratory of Hawaii to develop a marine fish hatchery and prepilot-scale aquaculture demonstration facility to determine factors that will provide maximum growout cost efficiency of mahimahi and other marine species.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources and the Natural Energy Laboratory of Hawaii (NELH).

Your Committee finds that the construction and operation of a marine finfish research and pilot demonstration facility at NELH present interesting opportunities for increasing efforts.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 424 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hemmings.

SCRep. 167 Ocean and Marine Resources on H.B. No. 624

The purpose of this bill is to increase public awareness within the State on the hazards posed by tsunamis by appropriating \$90,000 for the development of a tsunami education program.

Your Committee received testimony in support of this bill from the Department of Defense, the Oahu Civil Defense Agency, and the Honolulu Police Department.

Your Committee finds that through educational and training videotapes, radio spot messages and tsunami training seminars, the residents and visitors to Hawaii can become more aware of the potential hazards posed by tsunamis.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 624 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hemmings.

SCRep. 168 Ocean and Marine Resources on H.B. No. 627

The purpose of this bill is appropriate \$110,000 for continued tsunami research including, but not limited to the extension of tsunami map revision work to lower priority areas, the evaluation of shorelines susceptible to hurricane storm surges and winter storm waves, the purchase of twelve deployable gauges and establishment of sites, and the support, including training, for volunteer tsunami observers.

Your Committee received testimony in support of this bill from the Department of Defense as it relates to the extension of tsunami map revision work to lower priority areas. In addition to the map revision work, the testimony from the Oahu Civil Defense Agency supported the continuing analysis of tsunami run-up calculations and their comparison with hurricane surge and winter storm data and the training of volunteer observers.

Your Committee finds that continued tsunami research will assure a better basis for planning, accurate determinations and documentation of tsunami wave arrivals, and relevant observations that wave activity has subsided.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 627 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hemmings.

SCRep. 169 Planning, Energy and Environmental Protection on H.B. No. 468

The purpose of this bill is to appropriate the sum of \$200,000 for the establishment of a greenhouse warming remediation program.

This bill would provide funds for research related to natural removal mechanisms for various greenhouse gases which contribute to the global warming phenomenon. Work would be directed to the identification and evaluation of economically viable solutions which could be implemented in Hawaii.

The funds in this bill will be used as seed money to attract other sources of funding. This will enable Hawaii to expand its leadership in this field.

Your Committee has amended this bill by expanding the experiment to include other sources of trees under consideration rather than limiting it to one species. Your Committee has further amended this bill by designating the Office of State Planning as the expending agency.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 468, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170 Planning, Energy and Environmental Protection on H.B. No. 1652

The purpose of this bill is to provide funds to the Governor's Agricultural Coordinating Committee for the purpose of controlling the spread of two noxious weeds, strawberry guava or Waiwi (Psidium cattianum) and Miconia grandis.

Your Committee finds that Waiwi has been classified as among the worst weeds in the state by several authorities on agricultural and native organism conservation. The trees infest over 600,000 acres on the Big Island alone; the total statewide infestation exceeds 1,100,000 acres. In addition, Miconia also poses an enormous threat to plantations and ranches throughout the state.

The National Park Service, through the CPSU (a cooperative research program between the National Park Service and the University of Hawaii Department of Botany), commissioned an exploratory study in the Brazilian states of Parana and

Santa Catarina. Numerous insect species with good potential for biological control were observed. However, due to foreign travel budget restrictions, the National Park Service is not able to continue this phase of the study. This bill would remove that obstacle and enable the National Park Service in cooperation with the State to continue other aspects of the program which are dependent on this Brazilian research.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1652 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 171 Planning, Energy and Environmental Protection on H.B. No. 1266

The purpose of this bill is to appropriate \$200,000 for the development of solar energy technology and technology opportunities.

This bill expresses the State's commitment to establish Hawaii as the lead center for technology transfer and training in the field of renewable solar energy.

Your Committee finds that there is a need now to transfer and apply an appropriate mix or combination of solar renewable energy technologies that would result in real world implementation of electrical power producing systems, particularly for rural and isolated communities that cannot be economically served by conventional electric grid systems.

The appropriation to be provided by this bill would provide funds to coordinate the interest of public and private agencies concerned with solar renewable energy. The funds would also be matched by federal funds available for solar energy research, development and technology transfer, and enable Hawaii to take a leadership role in the Pacific and Asian area.

Your Committee has amended this bill to designate the department of business and economic development as the expending agency since PICHTR is not a state agency and, therefore, cannot be an expending agency.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1266, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 172 Planning, Energy and Environmental Protection on H.B. No. 366

The purpose of this bill is to appropriate funds to continue and expand the community geothermal technology program.

The community geothermal technology program has shown that waste heat from the generation of electrical energy at the Noi'i O Puna facility can be successfully and efficiently utilized for a number of economically attractive ventures that are relatively energy intensive in that they use large quantities of heat, so long as that heat can be supplied reliably, and at a reasonable price. This program has provided an opportunity to individuals, small businesses, and research institutes to investigate the direct utilization of geothermal energy and its waste products. By involving the general community in geothermal commercialization efforts, the program has promoted an understanding and acceptance of the importance of this valuable indigenous energy resource.

Your Committee has amended this bill by designating the appropriating agency as the Department of Business and Economic Development (DBED) because project management experience based on previous work currently resides within the DBED, and this program would support DBED's goals of increasing commercial direct use application to further develop business and cottage industries using geothermal heat.

Your Committee has further amended this bill by appropriating the funds for fiscal years 1989-1990 and 1990-1991 so that the funds may be expended over two years.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 366, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 366, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173 Planning, Energy and Environmental Protection and Agriculture on H.B. No. 1206

The purpose of this bill is to provide financial assistance through a cost-share program to implement improved animal waste management practices and to increase technical knowledge in animal waste management.

Your Committees find that to date, much emphasis has been placed on constructing treatment works for wastewater generated from domestic activities. Little attention has been focused on effective treatment and disposal facilities for animal wastes. Yet current animal waste management practices have resulted in the creation of aggravating health nuisances and are a threat to our valuable ground and coastal waters. Thus, your Committees further find that there is a definite need to improve current animal waste management practices and that this bill will greatly assist in providing animal waste management practices.

Your Committees further find that there is a need to supplement the Agricultural Stabilization and Conservation Service (ASCS) cost-share program with State funds. The intended assistance in this bill is in the form of a grant to the farmers based on 100 percent matching of the ASCS grant.

Your Committees have amended this bill by adding a new section which amends §342-34, HRS, in order to authorize the director of health to make grants to animal farmers. Section 1 has also been amended to be consistent with this amendment.

Your Committees on Planning, Energy and Environmental Protection and Agriculture are in accord with the intent and purpose of H.B. No. 1206, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1206, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Lee.

SCRep. 174 Health and Human Services on H.B. No. 988

The purpose of this bill is to repeal a law enacted in 1869 which authorizes the use of prisoners to remove nuisances. Some of these nuisances may be hazardous to their health.

Your Committees received testimony from the Department of Health and from the Department of Corrections. The Department of Corrections offered no objection to repealing this statute. However, the Director felt that statutes are not needed for an agreement with the Department of Health during cooperative ventures using prisoners. The Department of Health testified that it would be better not to repeal the statute, but to implement Occupational, Health and Safety laws that protect all workers and to assure that protective equipment and clothing are used by prisoners.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 988 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 175 Health on H.B. No. 836

The purpose of this bill is to make it mandatory (with certain exceptions) that all drawing of blood in the state of Hawaii for the purpose of testing for HIV infection be accompanied by pre-test and post-test counseling.

Your Committee received testimony from the Governor's Committee on AIDS, the Department of Health, the Hemophilia Foundation of Hawaii, the Life Foundation, the American Civil Liberties Union, and the Hawaii Medical Association. All these organizations were in support of the educational opportunities afforded by such counseling, although the HMA was concerned about the possibility of such a provision interfering in the practice of medicine.

Your Committee finds that providing educational information as an adjunct to testing affords an optimal vehicle for preventing the spread of the HIV infection. In addition, since knowing the results of testing - whether positive or negative - has been shown to have psychological and behavioral consequences, it is essential to provide necessary psychological support along with testing.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 836 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 176 Health on H.B. No. 262 (Majority)

The purpose of this bill is to: (1) increase the penalty for violating statutory provisions regarding smoking in public places; (2) provide further clarification with regard to Part I of Chapter 328K, which deals with smoking in public places; and (3) to provide greater incentive for adherence to its provisions by increasing the amount of the fine to be assessed for violations.

Testimony submitted by the Director of Health indicated that further clarification of the terms "enclosed" and "retail store," as specified in Chapter 328K, is necessary for effective enforcement of the provisions of this part. The Department also noted a lack of precision in the language enumerating places in which smoking is prohibited. In addition, your Committee received testimony indicating that while the majority of restaurant owners are making a good faith effort to comply with the provisions of Chapter 328K, in certain cases there has been only token compliance, with some owners setting aside only one table as the designated nonsmoking section.

Your Committee is in agreement with the recommendations of the Department of Health and has therefore amended the bill by expanding the definition of "retail store" in Chapter 328K-1; and adding a definition of "enclosed" to the same chapter. Moreover, the list of places where smoking is prohibited has been amended to include restaurants located within retail establishments. Furthermore, despite an abundance of data indicating that in Hawaii and on the mainland no more than 25 to 30 percent of adults are smokers, your Committee, to avoid inconvenience to this minority of restaurant patrons, has changed the minimum percentage of seats to be designated as a nonsmoking from 50 percent to 30 percent.

Technical, nonsubstantive changes to the bill have also been made for purposes of style and clarity.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 262, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives M. Ige, Peters and Liu did not concur.)

SCRep. 177 Health on H.B. No. 1152

The purpose of this bill is to rectify an existing inequity by extending health care benefits to those persons who were residents of Kalaupapa, Kalihi Hospital, or Hale Mohalu prior to January 1, 1970, but who are no longer on the Hansen's disease inpatient registry. The bill would ensure health care for a segment of Hansen's disease patients who have become ineligible to the same level of care provided to their peers.

Your Committee heard testimony in strong support of this bill from the Department of Health.

Upon the recommendation of the Department of Health, your Committee amends the bill to appropriate \$100,000 to carry out the purposes of this Act.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178 Health on H.B. No. 267 (Majority)

The purpose of this bill is to require all employers to prohibit smoking in areas where smoking is prohibited in public places. The bill also amends the definition of employer to include: (1) all entities receiving state funds under chapter 42 no matter how few people they employ; and (2) all government agencies or private businesses employing over 10 persons.

According to the Surgeon General's Report of 1986 "involuntary smoking is a cause of disease, including lung cancer, in healthy nonsmokers" and that "the workplace is a major source of involuntary smoke exposure for all employed adults". Based on these statements and extensive background information, your Committee finds that employees must have more protection against unwanted smoke than simply the choice of leaving a job or not taking it in the first place. To base the choice of a job on health risk considerations does not allow employees a free choice based on type of work and compensation. No person should have to turn down a job based on health considerations which do not relate to the job and are not within the control of the prospective employee.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 179 Health on H.B. No. 142

The purpose of this bill is to prohibit the sale of liquor filled candies to minors under the age of twenty-one.

Your Committee received testimony from Case and Lynch, attorneys for the local broker who imports such candies into the state for their manufacturer. Testimony indicated that at the time of the enactment of a 1986 law permitting the importation of such candies, a commitment was made to seek a prohibition on their sale to persons under twenty-one. Case and Lynch offered an amendment which appears to clarify the law and to slightly broaden the prohibition to cover all types of establishments.

Your Committee concurs with the proposed amendment and has substituted it for the original language in paragraph (20) on page 7 of the bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 142, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 180 Health on H.B. No. 1492

The purpose of this bill is to establish a Hawaiian genealogy bank to be administered by the Department of Health to provide consistent and accurate records of Hawaiian genealogy.

Your Committee heard testimony from the Department of Health in strong support of this bill. The Department stated that updating the existing computer tape records from 1942-1989 and putting vital records on computer tape from 1850-1942 would be an important planning tool to improve Hawaiians' health. This data would also be useful for the Office of Hawaiian Affairs to determine blood quantum for Hawaiians to qualify for benefits.

Your Committee notes that H.B. 50, Relating to Birth Defects, and H.B. 51, Relating to a Hawaii Health Registry, have also been recommended by your Committee on Health to be passed to your Committee on Finance in an effort to assist the Department of Health to improve its data collection and analysis.

Your Committee on health is in accord with the intent and purpose of H.B. No. 1492 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181 Health on H.B. No. 932

The purpose of the bill is to provide a mechanism which provides for a uniform procedure for the enforcement of the State's discrimination laws.

Your Committee heard widespread testimony in support of the bill from the Department of Health, the Governor's Commission on AIDS, the Commission on the Handicapped, the State Planning Council on Developmental Disabilities, the Mental Health Association, Paralyzed Veterans of America, Rehabilitation Association of Hawaii, and Hawaii Centers for Independent Living. Many of the testifiers noted that the bill extends protection provided by Section 504 of the Federal Rehabilitation Act, considered to be the cornerstone of civil rights protection for persons with disabilities in the United States, to cover State-financed agencies.

Your Committee expands the purpose of the bill on page 1, line 7, to include "access to public services" as an area to be protected from discrimination. The Committee also accepts the Department of Health's recommendation to change the effective date of the Act to July 1, 1989, to correspond to the day that Chapter 368, which it seeks to amend, takes effect.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 932, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 182 Health on H.B. No. 1648 (Majority)

The purpose of the bill is to ensure that pregnant minors seeking abortion are counseled in the options and sources of support available to them during their decision-making, and to encourage and facilitate communication between pregnant minors and their parents.

Your Committee heard testimony from the Department of Health, Waikiki Health Center, Hawaii Women's Political Caucus, Hawaii Planned Parenthood, Hawaii Public Health Association, National Association of Social Workers, Hawaii Medical Association, Healthy Mothers/Healthy Babies, Department of Education, Hawaii Right to Life, and Concerned Women of America. Most groups supported the intent of the bill, but disagreed about who should do the counseling and how it should be done.

The first eight organizations listed above felt that counseling should be provided by professionals, but that this could include the physician, and that certification of counselors would be too costly. Several felt that mandating counseling would create a barrier to minors seeking termination of their pregnancy. The last two organizations listed above felt that parents should be notified and should be the ones to counsel the minors, except in excused cases because of a dysfunctional family.

Discussion about counseling that is already in place in Hawaii noted that family planning clinics already offer counseling to all women who are determined pregnant through the clinic, and that physicians are obligated to counsel patients regarding the clinical and medical procedures and consequences. However, physicians often do not have the time or information to provide the high quality, comprehensive counseling outlined in this bill. The intent of this bill is neither to delay medical procedures nor to interfere in the relationships between parents and minors, but rather to act as a guideline for quality counseling to be offered or referred by physicians before they perform the abortion, and by all those who engage in conscientious counseling.

To avoid the problems associated with the certification aspect of the bill, your Committee has amended the bill to remove all reference to the certification program. Thus the original Section 2 has been deleted as have all subsequent references to certified counselors. In addition, in the new Section 2, subparagraph (d) has been rewritten since the unavailability of a certified counselor is no longer an issue.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1648, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 183 Health on H.B. No. 520 (Majority)

The purpose of this bill is to permit the State Board of Nursing to issue advisory opinions in response to questions put to it by professional health associations, nursing personnel, and consumers concerning the authority of various categories of nurses to perform particular acts.

Your Committee heard testimony from the Board of Nursing, the Hawaii Nurses Association, the Department of Health, the Healthcare Association of Hawaii, hospital administrators and others, virtually all in support of the proposed bill. Your Committee finds that there has been considerable ambiguity about the Board's capacity to issue opinions concerning scope of practice. It was found that many other State boards have the ability to issue comparable opinions and an Attorney General has apparently recommended that the Board of Nursing seek this type of legislation to clarify this aspect of their role.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 520 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 184 Economic Development and Hawaiian Affairs on H.B. No. 15

The purpose of this bill is to encourage the development of a software industry in Hawaii and amends Chapter 206M, Hawaii Revised Statutes, by adding a new section.

Your Committee finds that software development is an ideal industry for Hawaii. It is a "clean" industry and therefore would not have the negative side effects associated with other industries. It would also provide a large job pool with individual incomes at the higher end of the pay scale. Understanding the importance of this idea, your Committee agrees that the development of a software industry in Hawaii should be encouraged.

Your Committee has amended this bill by requiring the high technology development corporation to do the following:

1. Encourage federal, state, and county agencies to give priority to software developed in Hawaii;
2. Help market software produced in Hawaii-based software development companies to entities outside the State;
3. Conduct training sessions for Hawaii-based software development companies on external marketing and use of off-shore services; and
4. Develop a plan to assist Hawaii businesses for software development market their products and services out of state, and develop less expensive programs and services to be more competitive.

Your Committee has also amended this bill by correcting the expending agency to be the department of budget and finance.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 15, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185 Economic Development and Hawaiian Affairs on H.B. No. 16

The purpose of this bill is to identify public lands suitable for homesteading, which can be exchanged for lands now controlled by the Hawaiian Homes Commission which are not as well suited for homesteading.

Your Committee finds that lands set aside under the Hawaiian Homes Commission Act of 1920 to be used by native Hawaiians for residential, agricultural, aquacultural, or pastoral purposes contain some parcels that are largely unusable for these purposes. The cost of developing these lands for the purposes stated would be unrealistically high. Your Committee therefore agrees that available State lands that may be suitable for homesteading must be identified and made available to the Department of Hawaiian Home lands.

Based on the testimony presented by the Department of Hawaiian Home Lands, your Committee has amended this bill as follows:

1. Corrected the manager of the public land inventory to be the Department of Land and Natural Resources, not the Department of Hawaiian Home Lands.
2. Added a requirement in the Legislative Auditor's study to consider the readiness of the land for development. Your Committee recognizes that the vast majority of applications is for residential homesteads, and factors such as the availability of water are equally important to those listed in the proposal.

3. Replaced the requirement of the Department of Hawaiian Home Lands to provide the Legislative Auditor with the State's public land inventory report with the following statement: "Upon request by the Legislative Auditor, the Department of Hawaiian Home Lands shall provide a list of its lands programmed for development over the next ten years as well as those lands currently set aside for forest and game management.
4. Deleted the requirement for the Department of Hawaiian Home Lands to solicit public comment on its list of lands not suitable for homesteading.
5. Replaced the requirement for an appraisal of lands identified as candidates for exchange with broad estimates of their value. Your Committee believes appraisals are too costly, time consuming, and are valid for only a specific period of time to be included as part of this study.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 16, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 16, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186 Economic Development and Hawaiian Affairs on H.B. No. 18

The purpose of this bill is to provide the Department of Hawaiian Home Lands with additional revenues for infrastructure improvements on Hawaiian home lands.

Your Committee finds that current Hawaiian home lands are not fit for homesteading unless the lands are developed to provide basic infrastructure. Your Committee agrees that additional funds are needed for these improvements.

Based on the testimony presented by the Department of Hawaiian Home Lands, your Committee has amended this bill by deleting the sum to be financed out of federal funds, which was found to be incorrect.

The department also reported that it is studying the use of revenue bonds as a means of accelerating the homesteading program and increasing the funds available for infrastructure improvements. Your Committee agrees with this approach and has amended the bill to reflect revenue bonds as the method of financing the infrastructure improvements.

Your Committee has some concerns about the Department's ability to generate sufficient revenues to service the debt of such a large bond issue, but defers the final determination on method of financing to your Committee on Finance.

Your Committee on Economic Development and Hawaiian Affairs 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 referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187 Economic Development and Hawaiian Affairs on H.B. No. 1209

The purpose of this bill is to appropriate funds to the Pacific International Center for High Technology Research (PICHTR) to conduct studies and submit a proposal to establish and operate a federally supported regional technology transfer center in Hawaii.

Your Committee finds that PICHTR's image would be helped by being designated a federal regional transfer center. Such a designation would include federal funds to support the center's research activities. Hawaii would then be able to become a center for high technology research in the Pacific Basin.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1209 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188 Economic Development and Hawaiian Affairs on H.B. No. 1085

The purpose of this bill is to appropriate funding for a satellite read out earth station in Hawaii.

Your Committee finds that such an earth station will enable Hawaii to establish itself as a major scientific and communications center in the Pacific.

The earth station will provide Hawaii with an excellent opportunity to further expand and diversify its economic base. It will also position Hawaii to receive federal funds from programs such as the Search and Rescue Satellite Aided Tracking (SARSAT) application administered by the National Oceanic and Atmospheric Administration (NOAA).

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1085 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 189 Economic Development and Hawaiian Affairs on H.B. No. 1860

The purpose of this bill is to amend Chapter 206M of the Hawaii Revised Statutes to add a new section creating a high technology special fund for the development corporation to operate, maintain, and manage its industrial parks, projects, facilities, services and publications. Further, to add a section defining board meetings that are normally open to the public but permits closed executive meetings as necessary to receive and discuss information on a particular company seeking access to one of its facilities that is of a proprietary nature or disclosure of which may be harmful to the business interest of the enterprise.

Your Committee received testimony in full support of this measure from the high technology development corporation.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1860 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190 Economic Development and Hawaiian Affairs on H.B. No. 887

The purpose of this bill is to amend Chapter 887 of the Hawaii Revised Statutes to add a new section allowing tax credits for a qualified charitable contribution of moneys for scientific or engineering research or a contribution of scientific or engineering equipment to an institution of higher education or a post-secondary school. The amount of the credit shall be ten percent of the fair market value of the contribution.

Your Committee finds that these charitable contributions will benefit institutions of higher education or a post-secondary school.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 887 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 191 Economic Development and Hawaiian Affairs on H.B. No. 669

The Committee finds that a food processing industry would diversify Hawaii's economy and create new high quality jobs and new career opportunities. Testimony was presented which unanimously supported the concept of an industry such as this.

There were concerns, however, raised by the Department of Business and Economic Development concerning the financing of the facility, and they reported that they are investigating other sources and methods of financing.

Your Committee shares those concerns and therefore amended the appropriated sum to be \$1.00 and has placed the word "acquisition" to "leasing".

Your Committee also requested the Department of Business and Economic Development to review a detailed operational and financial plan, and an economic evaluation showing the project to be feasible before any funds will be expended.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 669, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192 Economic Development and Hawaiian Affairs on H.B. No. 646

The purpose of this bill is to appropriate general funds and special funds for the biennium budget of the office of Hawaiian affairs (OHA).

Your Committee had several public information hearings with representatives of OHA on the personal service requirements, travel requirements, contract service fees, and other funding requests.

Your Committee also reviewed the Management Audit report of 1986 and other documents detailing the various programs and initiatives of the office.

Your Committee finds that a current services profile is most appropriate and amended the bill from a total two year appropriation of \$17,393,265 to \$8,730,695.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 646 H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 193 Economic Development and Hawaiian Affairs on H.B. No. 1482

The purpose of this bill is to appropriate funds for the promotion of Hawaii's fashion industry on the east and west coasts of the mainland.

Your Committee finds that the fashion industry in Hawaii is handicapped by the high costs of production and therefore has trouble competing in the international marketplace and vying for positions in trade shows on the mainland.

Your Committee has requested the Department of Business and Economic Development and representatives from the fashion industry to jointly develop a two year program for the promotion of Hawaii's fashion industry. Also, the appropriated sum in the proposal was found to be incorrect. Your Committee has amended the bill to reflect this change.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1482, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1482, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194 Planning, Energy and Environmental Protection on H.B. No. 1831

The purposes of this bill are to: (1) adopt the land evaluation rating system to identify important agricultural lands; (2) provide criteria to guide the Land Use Commission in the reclassification of important agricultural lands; (3) revise land use criteria for the classification of agricultural and conservation districts and establish a new district, the open district; (4) provide for a comprehensive five-year boundary review to implement the purposes of this act; (5) provide interim land use policies to guide the Land Use Commission until the five-year boundary review has been completed; and (6) provide other amendments relating to enforcement of land use district classifications and conditions.

The Land Evaluation and Site Assessment (LESA) Commission was established by the Legislature in 1983, in accordance with Article XI, Section 3 of the Hawaii State Constitution, to classify and identify important agricultural lands in the State and to develop a methodology for the system's implementation. Your Committee finds that the need to address the constitutional requirement to conserve and protect agricultural land coupled with concerns related to the demonstrated need for affordable housing in the State and growing demands for other urban uses of land necessitates revisions to Hawaii's Land Use Law.

Your Committee further finds that lands in the existing agricultural district should be examined to determine their importance to agriculture based on physical and other characteristics and State agricultural production goals. It has been estimated that of the roughly two million acres of lands currently classified as agriculture, approximately 700,000 are considered as "important agricultural lands". Preliminary studies have also shown that some agricultural district lands have high conservation value. Furthermore, there are many areas where urban development would be premature or not appropriate for various reasons.

Your Committee further finds that given the importance of land resources and the inter-dependence of our land and other valuable natural resources, there is a need to retain the system of dual state and county management and regulation of our precious land resources. Your Committee finds that adoption of this bill will represent a logical step toward the better management of the State's lands.

While your Committee received numerous testimonies in support of the intent and purpose of this bill, they also contained numerous suggested amendments to this bill. Accordingly, your Committee has amended this bill as follows:

SECTION 2 adding a new section to Chapter 205, HRS, has been amended by clarifying the definition of productive agricultural use in order to take into account concerns regarding marginal grazing lands.

SECTION 2 has been further amended by including lands adjacent to productive agricultural lands as those lands which should receive a high evaluation and be placed into the agricultural district. Your Committee finds that often times lands adjacent to productive lands have equal potential for production and, further, that development on lands adjacent to lands in productive agricultural use could compromise existing operations.

SECTION 2 has been further amended by identifying classes of unique agricultural lands which should receive high evaluations and be placed in the agriculture district by virtue of the important agricultural activities which require the unique soil or climactic conditions of these areas. These unique lands support important agricultural activities which may require soil qualities not related to the relative properties of soils as ranked by the land evaluation methods. Accordingly, SECTION 7 amending §205-2 and SECTION 25 have also been amended to include provisions relating to unique agricultural lands and lands adjacent to productive agricultural uses.

SECTION 3 adding a new section to Chapter 205, HRS, has been amended by deleting the reference to rules and regulations to be provided by the Land Use Commission. Your Committee feels that this provision is unnecessary due to the issuance of special use permits under §205-6.

SECTION 4 adding a new section to Chapter 205, HRS, has been amended by stipulating that areas where development could cause non-point source pollution problems and areas which, because of their natural characteristics, prevent non-point source pollution from occurring shall be considered for inclusion into the conservation district. Your Committee feels that non-point source pollution is a major threat to our environment and that appropriate actions should be taken by the State to ensure the integrity of our precious land and water resources. SECTION 7 amending §205-2, HRS, and

SECTION 18 amending §205-18, HRS, also have been amended to include reference pertaining to non-point source pollution.

SECTION 5 adding a new section to Chapter 226, HRS, has been deleted. Your Committee finds the proposed language unnecessary given the existing language in Chapter 226.

SECTION 7 amending §205-2, HRS, and SECTION 10 amending §205-4.5, HRS, have been amended by deleting the proposed amendments referring to industrial processing plants and the proposed amendments permitting open area recreational facilities until December 31, 1992. Your Committee feels that this bill is the inappropriate vehicle to address these concerns.

SECTION 8 amending §205-3.1, HRS, and SECTION 9 amending §204-4, HRS, have been amended by directing the Land Use Commission to process all district boundary amendments in the agricultural districts on and after January 1, 1993. Your Committee feels that the handling of district boundary amendments in agricultural districts and the proposed processing of special use permits in agricultural districts pursuant to §205-6 should be consistent.

SECTION 11 amending §205-5, HRS, has been amended by increasing the minimum lot size in agricultural districts to fifteen acres. This amendment addresses the Committee's concern regarding the misuse of one and two acre agricultural lots and is also consistent with the minimum lot size in the proposed open district.

SECTION 17 amending §205-17, HRS, has been amended by directing the Land Use Commission to consider county general plans and county development and community plans in its review of petitions for reclassification of district boundaries.

SECTION 17 has been further amended by directing the commission to consider the cumulative impact of removal and additions to agricultural district lands. Your Committee feels that the commission should consider the cumulative effect of decisions to reclassify agricultural lands rather than making decisions on a case by case basis.

Your Committee has also made amendments for the purposes of clarity and consistency with other amendments and sections of this bill.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1831, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195 Human Services on H.B. No. 926

The purpose of this bill is to appropriate funds for the establishment of ten permanent positions for the investigative and recovery services program of the Department of Human Services.

Your Committee received testimony from the Department of Human Services, and finds that these positions are necessary for the department to more effectively reduce the incidence of fraud and abuse in the public welfare system.

The additional positions will be an important investment in maintaining the integrity of the State's public welfare programs. Reducing fraud and abuse in these programs are particularly important, because such fraud and abuse impinges upon the ability of the State to help those who are most needy.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 926 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196 Human Services on H.B. No. 913

The purpose of this bill is to replace the \$60 across-the-board level of care (LOC) payment to residents of adult residential care homes with a graduated schedule of payments according to a resident's level of care and according to facility type.

For the smaller Type I facility, the level of care payments are increased to not less than \$140 for LOC I, \$210 for LOC II, and \$290 for LOC III. For the larger Type II facility, the level of care payments are increased to not less than \$248 for LOC I, \$210 for LOC II, and \$290 for LOC III.

Your Committee has amended this bill to appropriate \$6,350,778 for fiscal year 1989-1990, and \$6,668,317 for fiscal year 1990-1991 to be expended by the Department of Human Services, and to change the effective date to October 1, 1989.

Your Committee has also made technical nonsubstantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 913, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 197 Human Services on H.B. No. 542

The purpose of this bill is to increase the percentage of employment related expenses that may be claimed for dependent care expenses from fifteen per cent to thirty per cent, with the minimum credit to be phased out at twenty per cent instead of ten per cent.

Your Committee finds that the increasing number of families headed by single persons or couples in which both spouses work make it likely that the demand for affordable child care will continue. The increase in the tax credit is necessary to help working parents pay the increasingly high costs of child care.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 542 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 198 Human Services on H.B. No. 604 (Majority)

The purpose of this bill is to provide an additional rate of payment for persons receiving medical assistance to institutional providers of medical care. This additional rate is necessary due to the shortfall between Medicare and Medicaid payments, which are limited by the federal government, and the cost of services rendered by the medical institutions. When major purchasers of health services such as Medicaid and Medicare pay significantly less than the full cost of services, hospitals are forced to absorb the difference as they are not permitted to recover the difference from the patient. In some cases costs have been passed on to other medical payment providers such as HMSA, and ultimately employers throughout the State, but these providers indicate that they can no longer fund their own programs and take care of the Medicare/Medicaid shortfall too.

Your Committee finds that medical institutions in this State have made significant efforts to contain their costs. However, recent factors beyond their control have succeeded in driving the costs up. These factors include the nursing and other skilled labor shortages which have driven up the cost of labor, price increases in supplies and technology, malpractice insurance, workers' compensation, and the higher cost of living in Hawaii. Some staff, notably nurses, are being recruited from outside the State as the shortfall in supply is so acute; and the cost of recruitment and the higher wages that must be paid in shortage situations exacerbates the problem. Another, ironic source of cost increases is the shortage of long-term care beds: some patients are left in the higher-priced acute care beds instead of being transferred to the less expensive long-term care beds because no long-term care beds are available.

Your Committee received testimony representing the positions of thirty-four of the medical institutions throughout the State, and all of them indicated that the Medicare/Medicaid shortfall affects them seriously. In some institutions, over half the patients use the Medicare/Medicaid payment system, yet some institutions indicated that the current Medicare/Medicaid reimbursement scheme covers only 63.5 to 81 per cent of their actual costs.

Your Committee finds that this substantial gap in payment cannot continue without seriously jeopardizing medical care throughout the State. Medical institutions must have adequate staffing, supplies, and equipment. Already some institutions have closed down needed beds because adequate staff is not available while patients wait in the emergency room for a bed to open up. Other institutions have been forced to halt admissions temporarily, delay nonemergency admissions, or put applicants for nursing home care on a lengthy waiting list.

The firm of Ernst & Whinney prepared a cost impact study in August, 1988 and found that for fiscal year 1989-1990, the total shortfall in this State due to inadequate Medicare/Medicaid payments will be \$11 million. The legislature finds that this appropriation will help medical institutions throughout the State continue to provide health care to the residents of this State.

Your Committee received testimony from many institutional medical service providers and associations. The director of human services testified that the department recognizes the providers' dilemma and will work with the providers to establish a viable plan of implementation if funds can be found.

Your Committee has amended the bill by appropriating \$11,000,000 for fiscal year 1989-1990 and \$13,500,000 for fiscal year 1990-1991. Your Committee also made technical, nonsubstantive changes.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 604, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Peters.
(Representative Shon did not concur.)

SCRep. 199 Human Services on H.B. No. 781

The purpose of this bill is to make an appropriation for a conference of concerned government agencies, private organizations, and individuals to determine appropriate measures to assist the population of homeless persons in the State.

Your Committee has received testimony in support of this bill from the department of business and economic development, the department of human resources, the Affordable Housing Alliance, the Hawaii Ecumenical Housing Corporation, the Single Parent-Family Advocacy Network, and the Office of Children and Youth.

Your Committee has amended the bill by changing the expending agency to the department of human services and has made technical nonsubstantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 200 Human Services on H.B. No. 782

The purpose of this bill is to make an appropriation for a legal services coordination program for older adults in Hawaii, to be expended by the Executive Office on Aging.

Your Committee finds that there is a significant need for legal services on behalf of older adults in Hawaii, and that the few agencies available to serve these needs are overworked and understaffed. This bill will help to improve the delivery of these needed services.

Your Committee has made technical nonsubstantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 201 Human Services on H.B. No. 1251

The purpose of this bill is to address the needs of the elderly housing residents of the State by extending support for a housing demonstration project involving two different methods: (1) direct services of professionally trained resident assistants and (2) empowering tenants and housing complex managers to resolve differences without the aid of a full-time resident assistant.

Your Committee finds that a significant need exists for professional and knowledgeable assistants to the elderly living independently in housing facilities. The demonstration project established by this bill is a major step toward fulfilling this need.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1251 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Peers.

SCRep. 202 Human Services on H.B. No. 1628

The purpose of this bill is to make an appropriation for the establishment of two new positions for employment specialists to provide services to the blind and severely visually impaired, to be expended by the Department of Human Services.

Your Committee finds that a significant need for the two new positions exists in order to help people who are blind or severely visually impaired maximize their independence.

Your Committee has amended the bill to appropriate \$56,000, for each of the fiscal years 1989-1990 and 1990-1991, and has made two technical nonsubstantive changes; one, to clarify that the services are to be provided to persons who are severely visually impaired rather than "severely blind" and the second, to correct the reference to "sums" appropriated.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1628, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Peters.

SCRep. 203 Human Services on H.B. No. 360

The purpose of this bill is to encourage foster children to continue their education at an institution of higher learning by extending the period during which they are eligible for foster board payments, provided that: (1) the foster child is twenty-three years old or younger; (2) is attending an institution of higher education; and (3) resides in the foster boarding home for at least ten months out of the year.

Your Committee received testimony from the Department of Human Services, the Office of Children and Youth, and a former foster child noting that the ten-month residency requirement would prevent many foster children from living in a dormitory, as would be necessary for Neighbor Island students, or in off-campus facilities if dormitory space were not available. The same individuals further noted that a narrow interpretation of the term "institution of higher learning" could preclude attendance at vocational or technical training schools after foster children graduate from high school.

Relatedly, your Committee also received testimony from a number of individuals and organizations indicating that a study of the entire system of out-of-home placement was needed.

The Office of Children and Youth, while in support of the overall intent of the study, proposed amendments to: (1) include in the study an evaluation of the state's foster care review system; (2) specify that evaluation of shelters and institutions be considered as part of the study; and (3) provide \$150,000 to conduct the study. The Office of Children and Youth also suggested that the study be performed by the Legislative Auditor.

Your Committee agrees that these proposed amendments would improve the study, and has revised the items to be addressed in the study to reflect these concerns.

Upon consideration of testimony which was submitted, your Committee has made the following amendments to the bill:

- (1) The deletion of the foster home residency requirement in the appropriate sections of the bill;
- (2) The addition of a definition of "institution of higher learning" to the appropriate statutory provision that includes vocational and technical training institutions; and
- (3) The addition of an appropriation of \$150,000 to the Legislative Auditor for a comprehensive study of the foster care system in Hawaii.

Technical, nonsubstantive changes to the bill have also been made for purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 360, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 204 Human Services on H.B. No. 323

The purpose of this bill is to appropriate funds to develop a long term care data base program.

Your Committee was concerned about the lack of specification in this bill regarding the type of data to be collected and the purpose of its collection. Your Committee therefore amended the appropriation to the sum of \$1.

Your Committee's intent is that the issue of data collection be more thoroughly developed including consideration of the following points: first, no efforts would be made that would duplicate data collection already underway; second, that the program continue to work with the long term care data committee; and third, that when the program is funded at a higher level, some of the appropriation would be used for consultant contracts.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 323, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 205 Human Services on H.B. No. 1165

The purpose of this bill is to provide sponsors of child care programs greater protection from tort liability by limiting damages only to those damages directly attributable to the person's pro rata share of fault or responsibility for the injury.

Among the provisions limiting liability, the bill:

- (1) Eliminates joint and several liability in actions against child care providers;
- (2) Reduces damages in actions against child care providers by collateral sources of compensation;
- (3) Establishes a two-year statute of limitations in actions against child care providers; and
- (4) Provides that nonprofit corporations, corporations affiliated with religious organizations and schools which provide child care will not be liable if the child care provider is a separate corporation.

Your Committee received testimony from several interested groups and finds that some of the legal issues raised at the hearing are more appropriate for discussion at greater length in the Judiciary Committee.

Your Committee has amended this bill by adding a savings clause to ensure that certain rights, remedies, or privileges will not be eliminated in any way which could be considered retroactive, and has made other technical, nonsubstantive amendments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 1165, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1165, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 206 Human Services on H.B. No. 858

The purpose of this bill is to appropriate funds to the Department of Human Services for provision of support services to the Waianae Coast Coalition for Human Services, which was established by the 1988 Legislature pursuant to the adoption of House Concurrent Resolution No. 183, H.D. 1. This appropriation will offset the expense of continued work by the Coalition and assist in the preparation of a final report to be submitted to the Legislature. Specifically, funds will provide for one full-time (1.0) planner, one half-time (.50) clerk typist, mileage, office supplies, and other expenses.

Your Committee received testimony in support of this bill from the Department of Human Services and the Waianae Coast Coalition for Human Services. In testimony submitted, the representative of the Waianae Coast Coalition for Human Services included a thorough budgetary analysis of projected program costs and noted that the cost of carrying out the program's mandate would be approximately \$75,000.

In keeping with the above findings, your Committee has amended the bill by increasing the appropriation amount to \$75,000.

Your Committee on Human Services concurs with the intent and purpose of H.B. No. 858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 858, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207 Human Services on H.B. No. 356

The purpose of this bill is to establish an adult day health revolving fund to facilitate the development of adult day health programs. The loans could create new adult day health programs or expand current adult day care programs with health services.

Your Committee heard testimony on this bill and others regarding the need to provide health and welfare services to the state's elderly population. Your Committee decided to amend this bill by adding other provisions for adult care. A new section has been added creating a program of grants to improve the facilities where senior citizen activities such as senior centers, meal sites, adult day care and adult day health programs. The sum of \$2,000,000 has been appropriated in fiscal year 1989-1990 for the purposes of that program, to be expended by the Executive Office on Aging.

Your Committee also amended the bill by adding a new section making an appropriation for a study on the liability risks for organizations considering establishing adult day care programs. The study shall include recommendations on ways to provide affordable liability insurance or to limit the liability of sponsoring organizations. The sum of \$120,000 was appropriated for the study in fiscal year 1989-1990. The Executive Office on Aging will be the expending agency.

Your Committee has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 356, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208 Consumer Protection and Commerce on H.B. No. 474

The purpose of this bill is to assist certain obstetricians and gynecologists practicing in rural areas of the State with their medical malpractice premium payments.

This measure would mark the third consecutive year of funding for this purpose. The Department of Commerce and Consumer Affairs, Insurance Division, has advised your Committee that in 1988 there were 25 applicants for the subsidy, seven of whom were awarded a combined total of \$100,213. The recipient doctors resided in Kamuela, Kahuku, Haliewa, Lanai, Kealahou, Kahului, and Waimea.

According to the Insurance Division, expertise in evaluating the need for supporting obstetricians in rural areas, and knowledge for determination of the appropriate dollar subsidies were provided by the Department of Health and the Hawaii Medical Association. The two basic criteria established as a guide in awarding subsidies were whether:

1. Obstetrical care would be unavailable or very difficult to obtain in the geographical area without the applicant's obstetrical practice; and

2. The physician was in great need of the subsidy.

Your Committee heard testimony from the Department of Health, which supports this legislation as a temporary method for insuring adequate obstetrical care to those areas requiring such care, but not generating adequate revenue to justify the physician's additional expense for obstetrical coverage.

Your Committee also heard testimony in favor of the bill from Mr. Rikio Tanji, Chief Executive Officer of Kahuku Hospital; and from James F. Lyons, M.D., who was designated a recipient of last year's subsidy legislation.

The Insurance Division has advised your Committee that it does not object to H.B. 474.

Your Committee is in agreement with the recommendation of the Insurance Division that the qualified recipients of the subsidy be designated by the Director of Health, rather than the Insurance Commissioner, and that the sums be expended through the Department of Health. The Insurance Division has advised your Committee that it has heavily relied upon the knowledge and expertise of the Department of Health for implementation of this legislation in the past.

To effect these changes, section 1 of the bill has been amended by replacing the phrase "insurance commissioner" in line 6, with the phrase "Director of Health"; and section 2 of the bill has been amended by replacing the phrase "department of commerce and consumer affairs" in line 8, with the phrase "Department of Health".

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 474, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 209 Consumer Protection and Commerce on H.B. No. 937

The purpose of this bill is to appropriate funds to establish a permanent condominium association registration clerk in the professional and vocational licensing division of the Department of Commerce and Consumer Affairs, and for the purchase of equipment to support that position. This will provide a system for registering and updating information on condominium projects.

Your Committee has been advised by the Real Estate Commission that there are presently about 2,000 registered condominium projects in Hawaii, with the oldest project dating back to 1961. All information on these condominium projects is based upon the original documents filed by the developer for the project's creation and registration. This information is contained, in some instances, in many volumes of legal documents, and not computerized. Therefore, information on these projects has not been updated.

The Real Estate Commission has testified before your Committee that it does not have information on all condominium associations, and that it needs information pertaining to condominiums such as a mailing address, a contact person, whether the condominium is self-managed, whether fee conversion has taken place for leaseholds, and whether self-managed projects have complied with fidelity bond requirements. H.B. No. 1817 relating to condominium management, if enacted into law, would require condominium associations to register annually with the Real Estate Commission and to provide some of this information, and would also impose annual registration requirements upon managing agents. This bill would provide funding to administer the registration requirements of H.B. No. 1817.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210 Consumer Protection and Commerce on H.B. No. 1113

The purpose of H.B. No. 1113 is to equalize the insurance premium tax assessed domestic and foreign insurers.

Your Committee heard testimony concurrently on House Bill Nos. 940 and 1113, which are alternative proposals to amend Hawaii's insurance premium tax law. Testimony was presented on behalf of the Department of Commerce and Consumer Affairs by the Insurance Commissioner; on behalf of eighteen national insurance companies (the "nationals") by the Honolulu law firm of Carlsmith, Wichman, Case, Mukai and Ichiki; and on behalf of the Hawaii Domestic Insurers Tax Committee ("HDIC") by Kerry M. Komatsubara, Esq. Testimony pertaining to both bills is included in this report.

H.B. No. 940

H.B. No. 940 proposes a gradual increase of the rates charged domestic insurers, along with a gradual decrease in the rates charged the foreign and alien insurers, over a period of three years. By the fourth year, domestic, foreign and alien insurers would all be paying the same premium tax rates. Life insurance premiums would continue to be taxed at a lower rate than casualty premiums. The bill would also require quarterly premium tax prepayments when the insurer's tax liability for the preceding year exceeds \$1,000.00.

The nationals presented testimony in favor of H.B. No. 940. They noted that preferential tax schemes similar to that of this State have been the target of challenge on constitutional grounds since the early 1980's. The nationals cited the 1985 case of Metropolitan Life Insurance Co. v. Ward, 470 U.S. 869, in which the United States Supreme Court ruled that the

two principal purposes advanced for such preferential tax schemes were not legitimate under the Equal Protection Clause of the U.S. Constitution.

The nationals also noted that on July 10, 1986, the Hawaii Tax Appeal Court ruled that Hawaii's preferential tax scheme was unconstitutional in the case of Keystone Provident Life Insurance Co. v. Ramil, No. 2380. The remedy phase of that case is still ongoing. The nationals prefer a negotiated resolution of this issue, which would involve legislation to eliminate the preferential scheme and a subsequent settlement of the litigation. They asserted that H.B. 940 would move the State into compliance with the constitutional requirements set forth in Metropolitan Life, achieve revenue neutrality when measured against revenue projections under the current tax law, maintain the integrity of the insurance premium tax as a stable source of tax revenues for the State, and facilitate settlement of current litigation of this issue.

The HDIC opposes H.B. 940. As discussed below, the HDIC supports H.B. No. 1113, provided that it is amended in accordance with the HDIC's legislative proposal which was submitted with its written testimony.

H.B. No. 1113

H.B. No. 1113 proposes to equalize the insurance premium taxes assessed domestic and foreign insurers at rates slightly higher than the current foreign insurer rates. The premium tax increase is slight for the foreign insurers, but substantial for the domestic insurers. It would be offset by a lower tax rate, close to that currently paid by domestic insurers, applicable to insurers which maintain a "principal office" in this State. "Principal office" status would require the insurer to satisfy specific ratios which compare the insurer's local operations to its operations nationally.

The nationals testified as to their "serious reservations" about H.B. No. 1113, and that the enactment of H.B. No. 1113 would not lead to a settlement of the litigation. Their objection to a similar a proposal that was introduced last session was on grounds that it would continue by an indirect method the preference discrimination found in the present statute.

The HDIC testified as to its support of H.B. No. 1113 provided that it be amended as set forth in its legislative proposal. That proposal would rewrite H.B. No. 1113 and would amend Section 431:7-202 of the Hawaii Revised Statutes as follows:

1. It would establish the gross premiums tax rates for property and casualty insurance premiums at 4.2 per cent and for life insurance premiums at 3.2 percent.
2. It would entitle insurers to certain credits against the premium taxes provided that the insurer maintains in this State its books, records and other documents regarding its financial condition and its operations in Hawaii; that the insurer maintains in this State officers and personnel knowledgeable of and responsible for the insurer's operations in Hawaii; and that the insurer conducts in this State substantially all of its underwriting, policy issuing and servicing operations relating to Hawaii policies. (These requirements are set forth in subsection (h) of the HDIC's proposed amendments to H.B. No. 1113.)
3. Property and casualty insurers and life insurers meeting the requirements of subsection (h) would be entitled to credits not exceeding 1.2 per cent of the gross premiums. Insurers would be eligible for credits for the insurer's contributions to the State's Unemployment Compensation Fund and premiums paid pursuant to the State's Worker's Compensation Law and Temporary Disability Insurance Law; contributions made by the insurer for a qualified group life insurance plan and a qualified pension/profit-sharing/annuity plan, and premiums paid for prepaid health/dental insurance for its Hawaii insurance operations personnel; and taxes paid by the insurer to the Internal Revenue Service under the Federal Insurance Contributions Act of 1954, as amended, for persons employed in this State for its insurance operations. (These credits are set forth in subsection (g) of the proposed amendment to H.B. No. 1113.)

The HDIC believes that H.B. No. 1113, if so amended, would encourage insurers to run their operations in Hawaii so as to enhance the State's ability to regulate, supervise and control the industry; that it would make the insurers more responsive to local conditions and concerns; and that it would promote employment and economic development in Hawaii. The HDIC has submitted a legal memorandum to your Committee addressing the constitutionality of H.B. No. 1113 as redrafted with the amendments it seeks.

Your Committee also heard testimony from the Insurance Commissioner cautioning that the effect of any measure passed by the Legislature this year aimed at equalizing premium taxes must preserve the State's tax revenue already collected from insurance premium taxes, and must also resolve the matter of the premium tax protest account.

Your Committee is in accord with, and has adopted the recommended amendments to H.B. No. 1113, as set forth in the legislative proposal attached to the written testimony of the HDIC.

As noted above, the issue of insurance premium taxes raised by H.B. Nos. 940 and 1113 is the subject of ongoing negotiation. The nationals report that the parties have committed to mutually resolve the domestic preference tax issue. To give affected parties additional opportunity to mutually resolve this issue during this legislative session, your Committee is reporting out both H.B. Nos. 940 and 1113 to keep both approaches on the table for discussion. Of course, a single bill addressing this issue will emerge, should a resolution of this matter be effected during this session.

Your Committee on Consumer Protection and Commerce is therefore in accord with the intent and purpose of H.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1113, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 211 Consumer Protection and Commerce on H.B. No. 940

The purpose of H.B. No. 940 is to equalize the insurance premium tax assessed domestic and foreign insurers on risks located in Hawaii.

Your Committee heard testimony concurrently on House Bill Nos. 940 and 1113, which are alternative proposals to amend Hawaii's insurance premium tax law. Testimony was presented on behalf of the Department of Commerce and Consumer Affairs by the Insurance Commissioner; on behalf of eighteen national insurance companies (the "nationals") by the Honolulu law firm of Carlsmith, Wichman, Case, Mukai and Ichiki; and on behalf of the Hawaii Domestic Insurers Tax Committee ("HDIC") by Kerry M. Komatsubara, Esq. Testimony pertaining to both bills is included in this report.

H.B. No. 940

H.B. No. 940 proposes a gradual increase of the rates charged domestic insurers, along with a gradual decrease in the rates charged the foreign and alien insurers, over a period of three years. By the fourth year, domestic, foreign and alien insurers would all be paying the same premium tax rates. Life insurance premiums would continue to be taxed at a lower rate than casualty premiums. The bill would also require quarterly premium tax prepayments when the insurer's tax liability for the preceding year exceeds \$1,000.00.

The nationals presented testimony in favor of H.B. No. 940. They noted that preferential tax schemes similar to that of this State have been the target of challenge on constitutional grounds since the early 1980's. The nationals cited the 1985 case of Metropolitan Life Insurance Co. v. Ward, 470 U.S. 869, in which the United States Supreme Court ruled that the two principal purposes advanced for such preferential tax schemes were not legitimate under the Equal Protection Clause of the U.S. Constitution.

The nationals also noted that on July 10, 1986, the Hawaii Tax Appeal Court ruled that Hawaii's preferential tax scheme was unconstitutional in the case of Keystone Provident Life Insurance Co. v. Ramil, No. 2380. The remedy phase of that case is still ongoing. The nationals prefer a negotiated resolution of this issue, which would involve legislation to eliminate the preferential scheme and a subsequent settlement of the litigation. They asserted that H.B. 940 would move the State into compliance with the constitutional requirements set forth in Metropolitan Life, achieve revenue neutrality when measured against revenue projections under the current tax law, maintain the integrity of the insurance premium tax as a stable source of tax revenues for the State, and facilitate settlement of current litigation of this issue.

The HDIC opposes H.B. 940. As discussed below, the HDIC supports H.B. No. 1113, provided that it is amended in accordance with the HDIC's legislative proposal which was submitted with its written testimony.

H.B. No. 1113

H.B. No. 1113 proposes to equalize the insurance premium taxes assessed domestic and foreign insurers at rates slightly higher than the current foreign insurer rates. The premium tax increase is slight for the foreign insurers, but substantial for the domestic insurers. It would be offset by a lower tax rate, close to that currently paid by domestic insurers, applicable to insurers which maintain a "principal office" in this State. "Principal office" status would require the insurer to satisfy specific ratios which compare the insurer's local operations to its operations nationally.

The nationals testified as to their "serious reservations" about H.B. No. 1113, and that the enactment of H.B. No. 1113 would not lead to a settlement of the litigation. Their objection to a similar a proposal that was introduced last session was on grounds that it would continue by an indirect method the preference discrimination found in the present statute.

The HDIC testified as to its support of H.B. No. 1113 provided that it be amended as set forth in its legislative proposal. That proposal would rewrite H.B. No. 1113 and would amend Section 431:7-202 of the Hawaii Revised Statutes as follows:

1. It would establish the gross premiums tax rates for property and casualty insurance premiums at 4.2 per cent and for life insurance premiums at 3.2 percent.
2. It would entitle insurers to certain credits against the premium taxes provided that the insurer maintains in this State its books, records and other documents regarding its financial condition and its operations in Hawaii; that the insurer maintains in this State officers and personnel knowledgeable of and responsible for the insurer's operations in Hawaii; and that the insurer conducts in this State substantially all of its underwriting, policy issuing and servicing operations relating to Hawaii policies. (These requirements are set forth in subsection (h) of the HDIC's proposed amendments to H.B. No. 1113.)
3. Property and casualty insurers and life insurers meeting the requirements of subsection (h) would be entitled to credits not exceeding 1.2 per cent of the gross premiums. Insurers would be eligible for credits for the insurer's contributions to the State's Unemployment Compensation Fund and premiums paid pursuant to the State's Worker's Compensation Law and Temporary Disability Insurance Law; contributions made by the insurer for a qualified group life insurance plan and a qualified pension/profit-sharing/annuity plan, and premiums paid for prepaid health/dental insurance for its Hawaii insurance operations personnel; and taxes paid by the insurer to the Internal Revenue Service under the Federal Insurance Contributions Act of 1954, as amended, for persons employed in this State for its insurance operations. (These credits are set forth in subsection (g) of the proposed amendment to H.B. No. 1113.)

The HDIC believes that H.B. No. 1113, if so amended, would encourage insurers to run their operations in Hawaii so as to enhance the State's ability to regulate, supervise and control the industry; that it would make the insurers more responsive to local conditions and concerns; and that it would promote employment and economic development in Hawaii.

The HDIC has submitted a legal memorandum to your Committee addressing the constitutionality of H.B. No. 1113 as redrafted with the amendments it seeks.

Your Committee also heard testimony from the Insurance Commissioner cautioning that the effect of any measure passed by the Legislature this year aimed at equalizing premium taxes must preserve the State's tax revenue already collected from insurance premium taxes, and must also resolve the matter of the premium tax protest account.

As noted above, the issue of insurance premium taxes raised by H.B. Nos. 940 and 1113 is the subject of ongoing negotiation. The nationals report that the parties have committed to mutually resolve the domestic preference tax issue. To give affected parties additional opportunity to mutually resolve this issue during this legislative session, your Committee is reporting out both H.B. Nos. 940 and 1113 to keep both approaches on the table for discussion. Of course, a single bill addressing this issue will emerge, should a resolution of this matter be effected during this session.

Your Committee on Consumer Protection and Commerce is therefore in accord with the intent and purpose of H.B. No. 940 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 212 Agriculture and Planning, Energy and Environmental Protection on H.B. No. 257

The purpose of this bill is to support macadamia nut orchard soil erosion research through programs conducted by the College of Tropical Agriculture and Human Resources (CTAHR), University of Hawaii.

The soil erosion problem in mature macadamia nut orchards was observed initially in the early 1970's, where tree roots were exposed and gullies were formed from surface runoff caused by heavy rainfall. In response to this problem, CTAHR, working with the Hawaii Association of Conservation Districts and the Department of Health's Technical Committee on Nonpoint Source Pollution Control, developed this research proposal to study the extent of surface runoff and soil erosional losses and to formulate erosion control management practices.

Your Committees heard testimony indicating that the vegetative ground cover will not grow under the full canopy of mature macadamia nut trees. When groundcover existed, it gradually died because of its intolerance to shade. This situation left the soil surface bare and susceptible to the erosional forces of surface runoff during prolonged heavy rainfall. Carrying soil particles, debris, and residues from fertilizers, pesticides, and fungicides, this runoff is classified as nonpoint source pollution, when it is discharged into streams and coastal waters.

Your Committees find that if a solution to this erosional problem is not found, hundred of acres of recently planted macadamia nut orchards will add to the problem in the years ahead.

Your Committees believe the research proposal merits the Committees' support and concur with the Department of Health's and the Hawaii Association of Conservation District's recommendations by increasing the appropriation to \$250,000 for the fiscal biennium 1989-1991. Your Committees have further amended this bill by changing the expending agency from the Governor's Agriculture Coordinating Committee to CTAHR.

Your Committees on Agriculture and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 257, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 257, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 213 Agriculture on H.B. No. 1867

The purpose of this bill is to amend: 1) Section 155-4, Hawaii Revised Statutes, to authorize the Department of Agriculture to sell real property acquired through its agricultural revolving loan program; and 2) Section 171-2, Hawaii Revised Statutes, to include an exception to the definition of public land for the lands described above.

The amendments are proposed to enable the Department to recover loan proceeds for the agricultural loan revolving fund.

The Department of Agriculture testified that it acquires secured property through its Agricultural Loan Division from foreclosures or voluntary transfer cases when the borrowers fail to meet the terms of the loan. Under current statutes, these acquired properties fall under the definition of public lands, and consequently, come under the jurisdiction of the Department of Land and Natural Resources. When this situation occurs, recovery for the agricultural revolving loan program becomes complicated.

Your Committee finds that the Department of Agriculture is not a landholding agency and that it should have the necessary authority to sell such properties to recover funds for the agricultural revolving loan fund.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 1867 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 214 Agriculture on H.B. No. 958

The purpose of this bill is to assist the sugar industry as it struggles through a time of economic difficulties by authorizing \$8.5 million to the existing agricultural loan revolving fund to provide the Hilo Coast Processing Company (HCPC) with the necessary emergency funding to purchase the power plant. Under this bill, the Department of Agriculture would be authorized to issue a 14-year loan to HCPC which would enable it to purchase the electrical power generating plant it operates from the current owners, BancNewEngland and the First Hawaiian Bank. Such a purchase would result in the following advantages:

1. Reduce HCPC's payments on the power plant by approximately \$1 million annually which would greatly enhance HCPC's cash flow;
2. Reduce the huge operating losses experienced by Mauna Kea Agribusiness and the small independent growers of HCPC; and
3. Satisfy a purchase option provision required by Hilo Electric and Light Company (HELCO) in a power purchase agreement that went into effect on August 1, 1988. This contract provides HCPC with increased revenues from power sales in exchange for lengthening the term of the agreement and increasing the penalties for non-performance. If HCPC cannot meet this condition, the entire contract can be voided, and without the additional income provided by the new agreement, HCPC will not be able to survive.

Your Committee received extensive testimony in support of this bill from the following organizations, agencies, and individuals: the Hilo Coast Processing Company; ILWU Local 142; the Big Island Business Council; the Governor's Agriculture Coordinating Committee; Mauna Kea Agribusiness Co.; United Cane Planters Cooperative; Issac Fiesta; Dennis Gonzales; Albert Rodero; Hawaii County Council Chairman Russell Kokubun; Rural South Hilo Community Association; Hawaii Island Chamber of Commerce; Kanoiehua Industrial Area Association, Inc.; the Hawaiian Sugar Planters' Association; Hawaii County Economic Opportunity Council; Joe Garcia, Special Assistant to Mayor Bernard Akana; Hawaii Island Economic Development Board; Hawaii County Department of Research and Development; Hawaii County Councilman Takashi Domingo; University of Hawaii College of Tropical Agriculture and Human Resources; the Department of Labor and Industrial Relations; Department of Business and Economic Development; Hawaii Electric Light Company, Inc.; and the Hawaii Island Contractors' Association.

The major points of the testimony were that:

1. HCPC has taken steps to moderate losses and increase its potential for future profits. Salaries have been frozen since 1987; new higher-yielding cane varieties are being used with improved cultivation practices; a request is pending for EPA relief on ocean discharging; staff has been consolidated; and a power agreement was renegotiated with HELCO.
2. The closure of a sugar company would mean that the three surviving companies would have to bear the full costs of certain activities such as shipping raw sugar to the refinery in California. The loss of any company may prove fatal to the others.
3. The State depends on agriculture, not only in terms of the 665 direct jobs, but also the estimated 2,187 jobs that are indirectly affected by it such as trucking firms, equipment suppliers, shippers, etc. In addition, even the tourism industry relies on the survival of sugar, because the industry keeps large tracts of land under cultivation, thereby preserving the natural beauty of the State.
4. HCPC supplies 20 per cent of the electricity used on the Big Island through alternate energy sources. Closure of the plantation may result in a greater dependence on fossil fuels.
5. The sugar industry plays a major role in the socio-economic well-being of the people in the community. If the plantation closes down, residents may be displaced, thereby destroying peaceful communities such as Papaikou, Honomu, and Hakalau. This will lead to changing school enrollments as well as businesses closing. Based on the shut down of the Puna Sugar Company experience, separations and divorce cases can be expected to increase, resulting in the breakdown of the family unit.
6. The economic impact of a plantation closure is significant, especially when unemployed workers with the same job skills flood a limited job market.
7. The loan will provide critical time for the sugar industry to become financially independent through product innovation such as the completion of a biomass conversion project. The purpose of this project is to develop new steam explosion technologies that may provide a means for producing automotive fuels in combination with high-value chemicals.

Your Committee also received testimony opposing this bill from Small Business Hawaii and William Sullivan.

Upon further consideration, your Committee has amended this bill to provide the Board of Agriculture with greater flexibility in utilizing other types of collateral by replacing the word, "or" on line 1 of page 4 of the bill with the phrase, "and/or". With this amendment, HCPC will be required to put up the power plant facilities and underlying land, and/or such other collateral to secure the loan and comply with other terms and conditions as may be required by the Board of Agriculture.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 958, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 958, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 215 Agriculture on H.B. No. 766

The purpose of this bill is to support research into the possibility of using papaya to block the effects of radiation on living cells through programs funded by the University of Hawaii, College of Tropical Agriculture and Human Resources (CTAHR).

Through exploratory research on the irradiational effects on papaya, the University of Hawaii discovered that this fruit contains substances which under irradiation produces a protective substance with the capacity to block the effects of radiation on a cell. This indicates that the irradiation chemistry of papaya can be understood and the protective substance itself defined as to its innocuousness.

Your Committee heard testimony that research into the nature of this protective substance could establish papaya as a unique dietary food with impact on cancer prevention and longevity studies.

Your Committee finds that this promising discovery, with beneficial impacts on the industry and human health, should be investigated further. Your Committee concurs with the recommendations on funding and expending agency. Accordingly, your Committee has made the following amendments:

1. Inserting the sum of \$110,000 for the fiscal biennium 1989-1991 with \$50,000 for fiscal year 1989-1990 and \$60,000 for fiscal year 1990-1991.
2. Making several technical and nonsubstantive changes for purposes of style and clarity.
3. Replacing the Governor's Agriculture Coordinating Committee with CTAHR.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 766, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 216 Agriculture on H.B. No. 765

The purpose of this bill is to support the construction of facilities and farm systems to be used for collecting and preserving varieties of anthuriums and dendrobiums and for researching and developing new cultivars of these species through programs conducted by the University of Hawaii, College of Tropical Agriculture and Human Resources.

Your Committee heard testimony from the Department of Agriculture that Hawaii must remain competitive in the world market for anthuriums and dendrobiums by maintaining its production of the proven commercial varieties and by continuing research to create new disease resistant varieties with different colors, shapes, stem lengths, and characteristics of longer shelf life.

Your Committee finds that it is in the interest of the State that the anthurium and dendrobium industries of Hawaii maintain and expand their world market shares. Your Committee believes that this could be done with the support of facilities and farm systems for research and development.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 765 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217 Agriculture on H.B. No. 692

The purpose of this bill is to amend three sections of the Hawaii Revised Statutes: Sections 153-3, 155-14, and 219-4 to allow the Department of Agriculture to transfer funds among the agricultural products revolving fund, the agriculture loan revolving fund, and the aquaculture loan revolving fund. The amendments are proposed to provide flexibility to the Department. The Department's ability to transfer funds among the three revolving funds will enable them to meet their loan making objectives on a more timely basis. It will also permit more effective use of the available funds.

Your Committee heard testimony in support of the bill from the Department of Agriculture. The Department indicated that the three programs are similar in functional respects. As of December, 1988, the approximate fund balances were reported as follows: agricultural products (\$210,800), aquaculture (\$279,000), and agriculture loan (\$5.2 million). While the Department feels it is difficult to predict future demands for funding under the agricultural products program and the aquaculture loan program, additional funds may be required if loan activity or anticipated volume exceeds available funds. The Department feels the bill provides adequate safeguards to prevent any mixing of funds.

Your Committee finds that while the Department will have to return to the Legislature for additional appropriations as funds are depleted, the flexibility provided in this bill will enable the Department to continue servicing the applicants for loans.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 692 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Lee.

SCRep. 218 Agriculture on H.B. No. 515

The purpose of this bill is to make an appropriation of \$170,000 for various fruit fly control and eradication projects, including an environmental monitoring program to determine the impact of various eradication measures on non-target organisms, a program for the registration of various chemicals necessary for an eradication program, and a public education program to promote understanding and support for fruit fly eradication.

The testimony received by your Committee indicated that this appropriation is necessary to restore funds that were inadvertently left out when the U.S. Congress passed the budget bills in 1988. Although the funds will probably be restored by the Congress this year, it is important for the timing and coordination of on-going projects that certain fruit fly projects proceed as scheduled.

The projects for which the appropriation will be used are:

1. Public Education Program. This program is necessary to achieve public understanding and support for fruit fly eradication. Although the approach that has been adopted for the eradication of fruit flies is through the use of integrated techniques, which emphasize knowledge of the pest and substitution of management techniques for chemical pesticides, the public's perception is that any type of eradication or control will involve major use of chemical pesticides. This program is necessary to correct that perception.
2. Environmental Monitoring. In conjunction with the Agricultural Research Service's Pilot Test to Eradicate the Mediterranean Fruit Fly from Kauai and Niihau, this program will attempt to determine the impact of eradication measures on non-target organisms.
3. Registration of Chemicals. Under Section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the chemicals that will be used in an eradication program must be registered for their proposed uses. These chemicals include the various attractants and toxicants and combinations of both. The funds for this program will be used for the research and gathering of data necessary to build support for the registration of the chemicals for their intended use.

Other testimony received by your Committee stressed the economic importance of eradicating fruit flies but expressed concern over the spraying of pesticides and the effects of an eradication program that involves mass spraying. Your committee has received the assurance from the Department of Agriculture and those involved in the development of the detailed eradication strategy that the programs in this bill do not involve any aerial spraying. Further, your Committee has been advised that the Hawaii Fruit Fly Committee, which has the task of developing the detailed eradication strategy, is cognizant of the requirements of the environmental laws and Endangered Species Act, and will formulate a plan that minimizes the negative environmental impacts of an eradication strategy.

Your Committee has amended this bill to reflect the environmental concerns expressed in the testimony and to also stress the importance of a fruit fly eradication. Accordingly, your Committee has made the following amendments:

1. On line 3, continuing to line 4, deleting "less any federal funds received,";
2. On line 4, adding "research on" so that it reads, "...for research on various fruit fly control...";
3. On line 7, deleting "on non-target organisms" so the sentence reads, "...to determine the impact of various eradication measures, a program for the ..."

The purposes of these amendments are to express the importance of a fruit fly eradication program by providing that the funds will not be diminished by any federal funds received, and to also express the importance of developing an eradication strategy that is sensitive to the environment by not employing the massive aerial spraying as part of the eradication.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 515, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 515, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 219 Agriculture on H.B. No. 276

The purpose of this bill is to support firetree research and control through programs conducted by the Department of Agriculture. This program is supplemented with approximately \$144,000 in federal funds for fiscal year 1989-1990 and an amount yet to be determined for fiscal year 1990-1991.

Firetree currently infests more than 85,000 acres of land throughout the five major islands with over 72,500 acres infested on the island of Hawaii alone. On Kauai, the infestation exploded in the Kokee area after Hurricane Iwa. Firetree is an alien noxious weed species which readily infests forests, watersheds, and pastures. The seeds of firetree are dispersed over long distances by birds.

Your Committee heard testimony that as the invasion occurs, native plants and associate wildlife disappear, watersheds are degraded, and rangelands are depleted of its carrying capacity. With four of the eighteen natural area reserves already invaded by this species, the State's natural area reserve system faces a potentially disastrous situation from this weed.

Your Committee finds that an integrated pest management program is needed to control the firetree. The State and the Hawaii Volcanoes National Park are both using mechanical and chemical means to control the firetree in some areas, but these and private efforts have had only a limited effect on infestations on the five major islands. As with the gorse control projects on Hawaii and Maui, the long term solution must rely on using biological controls for the eradication of firetree. The Interagency Forest Pest control Committee recognizes firetree as one of the highest priority weeds needing biological control research.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 276 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220 Agriculture on H.B. No. 201

The purpose of this bill is to support a variety of projects relating to agricultural research through funds provided by the Governor's Agriculture Coordinating Committee.

The projects identified for statewide agricultural activities were developed through an industry analysis process which brought together farmers, researchers, and State agencies.

Your Committee heard testimony in support of the seven projects identified. Five of the research projects, three of which are continuing projects, deal with pineapple problems. The other two research projects, both new, deal with tomato problems and pesticide testing and registration.

Your Committee finds that it is important to clear these "bottleneck" problems identified by the industry on pineapples and specialty crops. Your Committee concurs with the recommendations heard from testimony on funding and has amended this bill as follows:

- (1) On page 1, line 8, inserted the sum of \$50,000 for each year of the fiscal biennium.
- (2) On page 1, line 11, inserted the sum of \$50,000 for each year of the fiscal biennium.
- (3) On page 1, line 16, inserted the sum of \$50,000 for each year of the fiscal biennium.
- (4) On page 2, line 7, inserted the sum of \$50,000 for each year of the fiscal biennium.
- (5) On page 2, line 12, inserted the sum of \$30,000 for each year of the fiscal biennium.
- (6) On page 2, line 16, inserted the sum of \$105,000 for fiscal year 1989-1990 only.
- (7) On page 3, line 2, inserted the sum of \$92,480 for each year of the fiscal biennium.

Your Committee has further amended this bill by making several technical and non-substantive changes for the purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 201, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221 Health on H.B. No. 540 (Majority)

The purpose of this bill is to appropriate general funds to study the spread of genetically-modified organisms or their genes during field tests which are undertaken by private companies or State supported research or commercial ventures.

Your Committee finds from the Department of Health report as requested by Senate Concurrent Resolution 117 H.D. 1-1988 and from H.R. 193, H.D. 1-1987 that biotechnology activities are increasing throughout the State of Hawaii. In fact, on October 28, 1988, a meeting was held by the Advisory Subcommittees on Microorganisms and on Plants of the Department of Agriculture to review the deliberate field testing of a genetically engineered tomato plant as requested by U.S. Department of Agriculture (USDA). The USDA had received an application from the biotechnology company, CALGENE, which is based in Davis, California. It is difficult at this time to predict the number of field tests that will occur over the next two years, however, the above mentioned report found that there are currently six projects at the University of Hawaii that may lead to field testing. For instance, researchers at the University are working on genetic engineering to improve the nitrogen fixing abilities of *Rhizobium*, virus-resistant papaya, and blight resistance in anthurium. However, Hawaii is seen as a good place to field test, because it has more than one growing season, it State is geographically isolated, and, thirdly, it has a diversity of ecosystems with broad market potential for these bioproducts.

Your Committee further finds that the above legal and review discussion could impact the amount of field testing and the quality of review by State agencies their committees or subcommittees, or by ad hoc committees. Your Committee is particularly concerned with the impact such releases of novel organisms could have on the unique ecosystem of Hawaii. Your Committee also notes that although a majority of biological innovations are likely to be produced through genetic engineering techniques, it is possible that other avenues such as micro-injection and protoplast fusion may also lead to novel organisms that would necessitate review and further field study upon release into the environment. Finally, the Ad Hoc Committee would only recommend those bioproducts for study that are questionable for the Hawaiian environment. It is anticipated that information about the spread of genes in the environment will be better known as field testing begins and expands not only in Hawaii, but also in other geographical areas.

Your Committee further finds that above mentioned case--an application involving a plant pest--is the only type known where State notification and review is mandated by a federal agency. Your Committee also finds that during this review process on October 28, 1988, some 38 percent of the documentation provided was deleted to protect the company's confidential business information. The complete document was not sent for review on grounds that the State had insufficient statutes comparable to the provisions under the federal Freedom of Information Act which protects the proprietary nature of confidential business information.

Your Committee received testimony from the Department of Health and from the Hawaiian Sugar Planters' Association (HSPA). The Department supports the intent of the bill since it will enhance our knowledge on 1) the purpose and objectives of testing, 2) survival and the ability of the tested organisms to propagate in a given environment, relative environmental competitiveness of the organism(s), and 4) potential for genetic transfer and/or exchange with other organisms in the environment. The HSPA agreed in accord with the role by the Department of Health in the control and release into the environment of biotechnologically-modified organisms. HSPA, however, suggested that the language "organisms modified via r-DNA techniques," instead of genetically-modified organisms, be used to enhance the specificity of the bill.

Your Committee amended the bill by changing the appropriation from \$50,000 to \$100,000 and changed the period to include both fiscal years.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 222 Health on H.B. No. 917

The purpose of this bill is to provide for the continuation of the "Operation Nightingale" program being operated by the Department of Health.

Your Committee heard testimony from the Department of Health, the Hawaii Nurses' Association, the Hawaii Long Term Care Association, the Healthcare Association of Hawaii and the State Health Planning and Development Agency. Virtually all of the testimony was in support of continuing the program. Your Committee finds that the approach encompassed in this bill - targeting graduates of nursing schools with review and training courses to help them to pass the state Board of Nursing written examination - is a viable and innovative method of addressing the statewide nursing shortage. The first class of eleven graduates in the pilot program has recently completed the course and is preparing to take the examination in February. Thus, formal evaluation of the program's success has not yet been possible. Your Committee believes, nevertheless, that expansion of the program is warranted since this program targets individuals who are well positioned to both succeed in passing the examinations and in making a vital contribution to the field of nursing.

Your Committee has amended this bill by deleting reference to a "pilot" program since the program is now ongoing and by correcting various apparent typographical errors.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 917, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 223 Health on H.B. No. 1651

The purpose of this bill is to add a new part to Chapter 327D, Hawaii Revised Statutes, which recognizes a Durable Power of Attorney for Health Care and establishes requirements for its valid execution. Such a power of attorney would authorize a principal to designate another person as the attorney-in-fact to make any and all medical decisions on the principal's behalf when that person is incapable of doing so.

Your Committee finds that the absence of a durable power of attorney law is a major omission in Hawaii's health care statutes. A durable power of attorney for health care is essential for hospitals, families or friends who are caught in the dilemma of needing to make decisions on a patient's behalf when that person is incapacitated. Often it is unclear who among relatives can or should make these decisions. This bill would allow individuals to designate the person who should make decisions on their behalf.

Your Committee finds that this mechanism will contribute to timely and appropriate health care decisions which are consistent with the patient's desires. Your Committee also believes that this mechanism may be useful to persons with mental illness who may suffer from episodes when they are unable to make health care decisions for themselves.

Your Committee heard testimony in favor of this bill from the American Civil Liberties Union, the Life Foundation, the Hawaii Medical Association and the Department of Health. Opposing testimony was heard from Hawaii Right to Life.

The Department of Health testimony pointed out a number of areas of concern including potential conflict between the decisions of the appointed agent and a pre-existing living will, potential conflict of interest by investors in health care institutions, and various apparent typographical errors. Your Committee has amended this bill to correct the conflict of interest for investors issue in the third subsection entitled "Attorney in fact; health care decisions; requirements, etc." The fifth subsection entitled "Warning statement to person executing this document" and the twelfth subsection "Principal's objections; governing law" have been amended to address potential conflict between a living will and a durable power of attorney for health care. Nonsubstantive, technical amendments have also been made for purposes of clarity and form. Your Committee requests, however, that a thorough legal review be done by the Judiciary Committee to clear up any remaining legal ambiguities.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1651, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 224 Health on H.B. No. 1416

The purpose of this bill is to appropriate \$560,000 for each year of the fiscal biennium to establish four adolescent day treatment programs, one each on the islands of Molokai, Maui, Hawaii, and Kauai.

Your Committee received testimony from the Department of Health, the Office of Children and Youth, and Hawaii Family and Friends of Schizophrenics indicating a need for adolescent day treatment centers on the Neighbor Islands. The Office of Children and Youth further noted that day treatment centers form an essential component in a full-range community-based mental health services program for children and adolescents and provide an alternative to hospitalization. However, the Department of Health stated its concern that the amount appropriated would be inadequate to cover the cost of services proposed in this measure and suggested that the amount be increased to \$960,000.

It is the understanding of your Committee that the establishment of out-patient services in the form of adolescent day treatment programs will enable adolescents experiencing severe emotional problems to receive intensive psychiatric day treatment, as well as psychological, social, and educational services.

Your Committee has therefore amended the bill by increasing the appropriation to \$960,000, for each year of the fiscal biennium to ensure that the desired services are provided.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1416, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 225 Health on H.B. No. 716

The purpose of this bill is to amend Chapter 321-11, Hawaii Revised Statutes, to allow the Department of Health to adopt rules regarding hospice programs that would be necessary in distinguishing legitimate programs and assuring the public that a basic, or minimum, level of competence is adhered to in such programs.

Your Committee received testimony from the Department of Health supporting this bill. The Department indicated this measure would enable the necessary changes to be made in administrative rules relating to hospice licensure.

Your Committee on Health concurs with the intent and purpose of H.B. No. 716 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 226 Health and Education on H.B. No. 55 (Majority)

The purpose of the bill, as received by your Committees, was to expand the teenage health program, now known as the Peer Education Program (PEP), which was established in 1988.

Your Committees received testimony in support of this bill from the departments of health and education, from the Hawaii Chapter of the National Association of Social Workers, from the Hawaii State Chiropractic Association, from the American Association of University Women, from counselors, from administrators of the program, and from students and parents already involved in the program. Your Committees note that the initial pilot phase of PEP has received rave reviews and requests from many schools to participate. In addition, other organizations working with teens, such as the Coalition for a Drug-Free Hawaii, have coordinated their efforts and look favorably on the program.

Your Committees note that there is a desire to expand the program, providing that each school's administration fully support the program, and that it fits into a broader comprehensive school based plan. It is the intent of the Committees of Health and Education that every effort be made to create a broad base of participation and support by the school, its administrators, faculty, students and parents. The Committees note that efforts already being made by PEP to develop instruments to evaluate the program's implementation and acceptance in the schools and community should be presented to the Legislature by the start of the 1990 Session.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 55 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 227 Health on H.B. No. 642

The purpose of this bill is to amend Section 323, Hawaii Revised Statutes, to enable hospitals, at their discretion, to admit psychologists to membership on their medical or other professional staff, with attendant clinical and staff privileges, which would allow these professionals to perform inpatient and outpatient services.

Testimony received by your Committee indicated that psychologists are trained and qualified to provide a variety of highly effective diagnostic and treatment choices, and are a significant resource in the provision of mental health service in Hawaii. Present state departmental regulations, however, prohibit hospitals from permitting psychologists to admit patients to acute care facilities or to provide independent treatment to hospitalized patients. This prohibition may result in a detrimental severing of an existing therapeutic relationship between patient and psychologist upon the patient's being hospitalized.

Your Committee received testimony in favor of this bill from the Hawaii Psychological Association, The Brain-Injury Recovery Center of Hawaii, the National Association of Social Workers, Inc., The Healthcare Association, the Board of Psychology, and several private practicing psychologists.

Your Committee also received testimony in opposition to this bill from the Castle Medical Center Credentials Committee and the Hawaii Psychiatric Society. The Castle Medical Center Credentials Committee expressed concern that psychologists do not have the requisite training to function with privileges in admitting and prescribing medications to psychiatric patients, and the Hawaii Psychiatric Society expressed concern that this bill would set a precedent which would result in future legislation mandating the allowance of psychologists to practice in hospitals. Your Committee emphasizes that it is not the intent of this bill to coerce any hospital to allow psychologists to practice within its facility. Under this bill, each hospital would still retain full discretion to decide whether a psychologist meets the hospital's own credentials standards and any psychologist permitted to provide services within a hospital may only do so within the scope of his or her license.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 642 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 228 Education on H.B. No. 1826

The purpose of this bill is to create a special fund for the improvement of public school facilities. In each of seven years, from 1989 through 1995, the sum of \$90-million would be deposited to the special fund from revenues generated by the general excise tax. The fund would be terminated in 1999.

Your Committee received testimony in support of the bill from the Department of Education and the Department of Accounting and General Services. Public school facilities needs of approximately \$800-million for the next 10 years have been identified. The provision of \$90-million annually over a seven year period would equal \$630-million. It is projected that an additional \$170-million can be generated through investment earnings, thereby totalling the \$800-million needed.

The cash financing mechanism created in the bill incorporates two significant advantages. First, the traditional means of financing capital improvements through the issuance of bonds has been estimated to cost nearly an additional billion dollars in interest payments. Furthermore, constitutional limitations on the total amount of bonds outstanding and competing requirements of other State agencies would pose substantial barriers to sufficient funding for school facilities.

Your Committee is in agreement that this bill will contribute significantly to the construction of needed school facilities, thereby impacting positively on the overall educational environment and the quality of education.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1826 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 229 Education on H.B. No. 1239

The purpose of this bill is to indemnify a volunteer providing services at an activity of a parent-teacher association of a public school.

Under current policy, parent-teacher association volunteers at school activities can be sued, and are not protected by the state, as they would be if they were employees of the Department of Education.

The Department of Education testified in favor of this measure.

Your Committee wishes to encourage parent-teacher associations to plan and participate in activities enhancing or supporting the schools, without having to obtain costly liability insurance coverage.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1239 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 230 Education on H.B. No. 91

The purpose of this bill is to start a business manager pilot project so that more time may be devoted to the administration of education to assist selected principals at large high schools.

The Department of Education testified in favor of this measure and recommended that the business manager pilot project be allowed to operate for three school years.

Your Committee finds that decentralization of the Department of Education's administration and efforts to establish school-based management will require that principals spend more time on educational leadership and coordination of curriculum planning and development. We believe that specialists in business and personnel management can assist principals with many of their non-educational duties.

This bill has been amended to extend the project into the 1990-1991 fiscal year.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 91, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231 Education on H.B. No. 85

The purpose of this bill is to maintain the progress which has been achieved in reducing class size in kindergarten and first grade.

The Legislature appropriated funds to reduce the student-teacher ratio for kindergarten in 1987. A similar class size reduction was effected in first grade in the 1988-1989 school year.

The Department of Education and the Hawaii State Teachers Association testified in favor of this measure.

Your Committee finds that the quality of education can be improved significantly by reducing class size to a ratio of twenty to one or less. Class size reductions promote greater interaction between students and teachers. Class size reductions also make possible the implementation of educational strategies in the classroom which increase individual attention and small group interaction. Conversely, large classroom sizes adversely affect teacher morale and job satisfaction, and student performance suffers while discipline problems increase.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 85 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 232 Education on H.B. No. 304

The purpose of this bill is to amend Section 342-43, Hawaii Revised Statutes, by adding a provision to exempt any school activity from this section.

In the past, a few residents near schools have complained about loud sounds, whether it be by crowds cheering at athletic events, vocational education shops, or musical activities. These complaints to the Department of Health and the police sometimes interfere with educational programs and co-curricular activities in the schools.

The Department of Education, the Department of Health, the principal of Moanalua High School, Band Directors and students testified in favor of this measure. Both the Department of Health and the Department of Education suggested that this bill be amended to require approval by school authorities of any activity which would create excessive noise. This bill has been amended accordingly.

Your Committee is mindful of the two competing state interests involved in this issue. The state has an interest in protecting people's health, and excessive noise has been shown to have an adverse effect on health. However, we believe that the state also has a duty to educate our young people. It is reasonable to assume that some educational activities will create excessive noise. We intend that school authorities be prudent in authorizing activities which create noise and that these activities be limited to daytime hours, which are defined by the Department of Health as the hours from 7:00 a.m. to 10:00 p.m.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 304, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 233 Education on H.B. No. 711

The purpose of this bill is to amend Section 298-9, Hawaii Revised Statutes, to: 1) eliminate tutorial instruction as a separate category of exceptions to school attendance; 2) enable the superintendent to delegate to district superintendents the authority to approve school attendance exceptions based on an alternative educational program; 3) include statutory language to reflect current home schooling regulations; 4) require an employer who employs a student who is excused from school attendance to notify the student's school within three days if employment is terminated and 5) eliminate references to practices or items such as vocational schools which are obsolete.

The Department of Education testified in favor of this measure and indicated that these amendments to Section 298-9, Hawaii Revised Statutes, would reflect the current situation and practices relative to compulsory attendance exceptions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 711 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 234 Education on H.B. No. 1851

The purpose of this bill is to create statutorily the position of special assistant to the State Librarian to assist the State Librarian in special projects, studies, investigations, and other activities. The bill also creates a position of secretary to the special assistant.

Your Committee received testimony in support of the bill from the State Librarian, who emphasized that the Hawaii state public library system requires the full time attention of a special assistant to assume responsibility for special projects and investigations, legislation, public information, and coordination with various State and national organizations. In this regard, the State Librarian described specific activities in which the special assistant would be involved.

Currently, a temporary position of special assistant exists. The State Librarian testified that the special assistant has proven to be invaluable, and has demonstrated that the temporary position should be made permanent.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1851 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, Hirayama, D. Ige, Lee, Taniguchi and O'Kieffe.

SCRep. 235 Education on H.B. No. 1794

The purpose of this bill is to appropriate funds for various public school capital improvement projects.

Testimony in support of the bill was submitted by the Department of Education and many school principals and teachers. A number of amendments were proposed to reflect more realistic cost estimates for projects contained in the bill and to add projects to the bill to accommodate needs which have been recently identified.

In consideration of these suggestions, your Committee has amended the bill by amending the following items as follows:

(1)	Item #1 Helemano elementary school	
	Construction	\$1,250,000
	Total funding	1,300,000
(2)	Item #4 Iliahi elementary school	
	Construction	45,000
	Total funding	50,000
(3)	Item #6 Wahiawa intermediate school	
	Construction	790,000
	Total funding	890,000
(4)	Item #8 Leilehua high school	

	Construction	235,000
	Total funding	250,000
(5)	Item #13 Roosevelt high school	
	Construction	294,000
	Equipment	50,000
	Total funding	350,000
Your Committee has also amended the bill by adding the following items:		
(1)	Kawananakoa intermediate school	
	Installation of campus drainage system.	
	Design	5,000
	Construction	75,000
	Total funding	80,000
(2)	Kawananakoa intermediate school	
	Installation of public address inter-communication system.	
	Design	6,000
	Construction	24,000
(3)	Kawananakoa intermediate school	
	Installation of outdoor campus lighting attached to building including parking lot area.	
	Design	8,000
	Construction	32,000
	Total funding	40,000
(4)	Kawananakoa intermediate school	
	Installation of air conditioning and ventilation system in auditorium.	
	Design of air conditioning	50,000
	Construction of air conditioning	200,000
	Design of ventilation system	8,000
	Construction of ventilation system	22,000
	Total funding	280,000
(5)	Kawananakoa intermediate school	
	Design and construction for air conditioning for the library.	
	Design	10,000
	Construction	100,000
	Total funding	110,000
(6)	Lincoln elementary school	
	Design and construction of driveway enlargement and additional roadway access.	
	Design	20,000
	Construction	152,000
	Total funding	172,000
(7)	Lincoln elementary school	
	Design and construction of library renovation and addition.	
	Design	50,000
	Construction	564,000
	Total funding	614,000
(8)	Maemae elementary school	
	Construction of library expansion and improvement.	
	Total funding	325,000
(9)	Nuuanu elementary school	
	Construction of additional parking lot and turn-around area for delivery trucks.	
	Total funding	40,000
(10)	Nuuanu elementary school	
	Design and construction of security screens for buildings A, B, F, G, H, and I.	
	Design	7,000
	Construction	52,000
	Total funding	59,000
(11)	Pauoa elementary school	
	Design and construction of security screens.	
	Design	3,000
	Construction	12,000
	Total funding	15,000
(12)	Pauoa elementary school	
	Design and construction of playground equipment.	
	Design	5,000

Construction	40,000
Total funding	45,000
(13) Pauoa elementary school	
Design and construction of classroom partitions.	
Design	1,000
Construction	7,000
Total funding	8,000

Your Committee on Education is in accord with the intent and purpose of H.B. No. 1794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1794, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 236 Education on H.B. No. 95

The purpose of this bill is to raise the school priority fund per student allocation amount, and to establish school management committees for each school.

Under the provision of Section 296D-4, Hawaii Revised Statutes, school principals are required to consult with teachers, parents, community members, and students to solicit their advice on the use of school priority funds. However, some teachers and parents have complained that there is no formal organizational structure established by law to carry out this mandate. This bill establishes school management committees which will have the authority to determine the allocation of school priority funds and will consult with the principal on other budgetary matters.

Currently, the per student allocation of school priority funds is approximately \$17. The per student allocation was \$25 at the time the school priority fund program was established in 1982. Because of the movement toward school-community based decision making, we believe this amount should be increased significantly.

The Department of Education testified that it supports the concept of school-based decision making through the school-community councils mandated by the Board of Education. The Hawaii State Teachers Association opposed this bill because the members of the panel would be selected by the Parent Teacher Student Organization instead of the school principal.

Your Committee has amended this bill to increase the per student allocation to \$50 per student. We have also added an appropriation to the bill.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 95, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 95, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 237 Education on H.B. No. 258

The purpose of this bill is to develop an individualized transition plan for each student with disabilities, age fifteen and over enrolled in the public schools, and to appropriate funds for the hiring of a transition coordinator, clerical support staff, and forty transition specialists to ensure timely, quality implementation of individualized plans consistent with the intent of federal mandates.

Your Committee received voluminous testimony in favor of this measure. The Department of Education indicated that thirty transition coordinator positions were included in the Board of Education's budget request, but were not included in the Governor's initiatives. The Department of Labor testified that assisting high school students as they plan for the transition from school to the world of work is an increasingly critical need, given the projected national and state workforce shortages predicted through the year 2000.

Your Committee finds that handicapped students constitute a significant untapped resource. As a special needs group, extra efforts are required to facilitate their entrance into the labor force. By assisting them with individualized planning and counseling services, we will further ensure they are provided with an optimum education and increasing vocational options for a productive life as contributing members of our community.

This bill has been amended on page 5, to include an appropriation for thirty full-time transition specialist positions.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 238 Tourism on H.B. No. 977

The purpose of this bill is to exempt from the general excise tax certain payments by hotel owners to hotel operators which are currently subject to double taxation.

Traditionally, most hotels were owned and operated by the same organization. The owner/operator hired the staff, managed the hotel, collected the income, paid taxes on the gross income, then paid the salary of the hotel staff out of the net revenue of the hotel.

In the last few years, as hotels have increasingly become objects of investment by investors who have not interest or expertise in operating them, it has become a common practice for hotel owners to hire independent management companies to operate the hotels. The management company hires and trains the hotel staff, collects the income from the hotel and passes it to the owner. The hotel owner pays various taxes on the gross income of the hotel, then pays the management fee to the hotel operator out of the after-tax income of the hotel. The management company pays the general excise tax on its gross income, and pays its employees out of the firm's after-tax income.

If the hotel staff is carried on the payroll of the hotel owner, the earnings on which their income is based are taxed only once. If the staff is carried on the payroll of the management company, the earnings on which their income is based are taxed twice. In order to avoid this double taxation, management companies typically have the hotel staff, that is, the on-site employees operating the hotel as opposed to the management company's management personnel, carried on the hotel owner's payroll.

This arrangement avoids the double taxation of the hotel staff's wages, but raises another problem for the hotel staff. When the hotel is sold, the hotel staff is placed in limbo, not knowing if they will be hired by the new owner. Even if they are hired by the new owner, they likely lose the seniority they have built up, as well as facing a new contract with the possibility of fewer benefits. By contrast, management companies generally have long-term contracts to operate hotels which remain in force even through changes in ownership. Thus, if the hotel staff were carried on the payroll of the management company, they would enjoy greater job security. This has become a more urgent issue in the last few years as the turnover rate of hotel ownership has increased.

Your Committee finds that this bill will encourage management companies to place hotel staff on their own payroll rather than on the hotel owner's payroll and will thereby protect the interests of the many thousands of hotel workers in Hawaii by providing them with more job security and continuity of employment benefits. Moreover, since the income that is being exempted from taxation by this bill is currently being sheltered, the benefit to the hotel workers will be accomplished with no loss of tax revenues to the State.

Your Committee has amended this bill by providing definitions to limit the exemption to the employment costs of hotel staff and by placing the provisions in a new section. Your Committee has also made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 977, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 239 Tourism on H.B. No. 584

The purpose of this bill, as received by your Committee, is to establish golf courses as part of the State parks system. The measure would also appropriate \$250,000 to the Department of Land and Natural Resources for the initial planning and design of golf courses in each county.

While the surge of investment and visitation to Hawaii by business executives from outside the State have resulted in an increase in the number of golf courses in the State, a decrease in the availability of golf courses to residents has occurred, either through restrictions on private course play or through higher charges for play. The purpose of this bill is to utilize some of the increased government revenues from tourism to alleviate this problem by building more public golf courses for residents.

Testimony in support of this bill was received from the Department of Land and Natural Resources, the Department of Business and Economic Development, and the Hawaii Hotel Association.

The Department of Land and Natural Resources noted that active recreational activities, such as golf, are more appropriate operations of the county parks administration. They further noted that they have in the past worked with the counties in developing golf courses by identifying nonproductive state lands and developing golf courses which were then turned over to the counties for operation.

Your Committee has amended this bill by deleting the references to inclusion of golf courses in the state park system. It is your Committee's intent that the Department of Land and Natural Resources work with the counties in determining which parcels identified by the Department of Land and Natural Resources are most appropriate for this type of development. Your Committee has also required the Department to prepare a report on the progress of the development of these courses to be submitted to the Legislature prior to the 1990 Session.

Other nonsubstantive, technical amendments have been made for purposes of style and clarity.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 584, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 240 Tourism on H.B. No. 1549

The purpose of the bill is to appropriate funds to carry out the purposes of chapter 206x, Hawaii Revised Statutes, including the hiring of necessary staff.

Your Committee on Tourism has amended the bill to appropriate \$350,000 for fiscal year 1989-1990 and \$350,000 for fiscal year 1990-1991.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1549, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 241 Tourism on H.B. No. 1141

The purpose of the bill is to appropriate funds for the promotion of the film industry in Hawaii.

Hawaii's natural beauty and ideal climate draw many visitors and film makers. Expanding Hawaii's involvement in the film industry is desirable because it brings additional income for the State. In 1986, film production in Hawaii contributed over \$35 million to the State's economy.

Testimony in support of this bill was received from the Department of Business and Economic Planning, National Federation of Independent Business, The Hampe Company, Leslie Ringe Produces, CineWorld Enterprises Corporation, and Don Lubitz, chairman of the United States Long Distance Learning Association.

Your Committee has amended the bill by appropriating \$1 for it to be heard in Finance Committee which shall allocate an amount.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 242 Tourism on H.B. No. 901

The purpose of this bill, as received by your Committee, is to prevent the "pyramiding" of the transient accommodations tax by exempting the amount of the transient accommodations tax collected by the taxpayer from the taxpayer's gross income which is subject to the transient accommodations tax.

The transient accommodations tax rate is 5.0 percent of the gross proceeds derived from providing transient accommodations. Transient accommodations owners generally pass this tax on to their customers by assessing the customers an extra charge of 5.0 percent in addition to the price charged the customer for the accommodations. The transient accommodations owner is then assessed the transient accommodations tax on their gross income, which is currently defined to include the extra levy they charge their customers. Thus, while the nominal transient accommodations tax rate is 5.0 percent, the effective tax rate is 5.25 percent. By excluding the extra charge to customers made by the transient accommodations owners from the definition of gross income subject to the tax, this bill would reduce the effective tax rate back to the statutory 5.0 percent.

Testimony was received from the Hawaii Hotel Association indicating an understanding at the time the transient accommodations tax was passed by the Legislature that the tax would be a straight pass through, not a pyramiding tax. Testimony also indicated that this change would reduce the current revenues received by the State from the transient accommodations tax. To prevent any loss of current revenue to the State, while stopping the pyramiding of the tax rate in the case of any future rate increases, your Committee has amended this bill by changing the nominal transient accommodations tax rate to 5.25 percent.

Your Committee has further amended the bill to change the provisions concerning the issuance of the certificate of registration to transient accommodations operators. Currently operators must renew their registration each year and pay \$1. This bill would make the purchase of a certificate a one-time requirement, with a charge of up to \$50, in direct relation to the type and number of units in the transient accommodations structure being registered. This change would eliminate the need for the Department of Taxation and the transient accommodations operators to bother with the annual registration paperwork, resulting in a cost savings to the Department and the operators.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 901, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 243 Legislative Management on H.B. No. 1258

The purpose of the bill, as received, is to appropriate funds for two positions, one in the House of Representatives and one in the Senate, to handle press relations, information dissemination, and protocol for legislative measures.

Your Committee has amended this bill by deleting the substance and inserting therefor new material to accomplish a two-fold purpose:

- (1) To appropriate funds for a study by the Office of the Legislative Auditor to determine how legislatures in the other forty-nine states:
 - (A) Provide for public access to the legislative process and legislative data by electronic means, including but not limited to: dial-in telephone access to legislative bill status systems; automated data bases for bills, resolutions, committee reports, public hearings, and session laws; as well as the extent to which these states utilize electronic mail, voice communications systems, facsimile and image processing systems, local area networks, teleconferencing, and other means of communication; and
 - (B) Administer automated systems in the legislative process, including but not limited to internal computerized legislative information services and to determine whether any of the state legislatures subscribe to external information services, such as LEGISNET, WESTLAW, LEXIS, and NEXIS; and
- (2) To appropriate funds for a coordinated effort by the House of Representatives, the Senate, and the Legislative Reference Bureau to:
 - (A) Upgrade the legislative information system, commonly referred to as "SHADO" to provide greater accessibility to the general public; and
 - (B) Develop one integrated data base for the Hawaii Revised Statutes.

Your Committee finds that in light of recent criticism indicating that the public is being precluded from full participation in the legislative process because legislative information is not readily accessible, these amendments are needed to accelerate the establishment of legislative data systems, which allow for public access and participation.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 1258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 244 Legislative Management on H.B. No. 1256

The purpose of this bill, as received, is to alleviate the financial burden of legislative employees by authorizing advances from the State general fund to pay legislative expenses pending the enactment of a new legislative appropriation measure.

Your Committee finds that during the legislative session, hundreds of temporary employees, who demonstrate dedication and commitment under tremendous pressure, are hired to support legislative activities. Unfortunately, these session employees do not receive any compensation until the legislative appropriation measure is passed at the beginning of each legislative session.

It takes several days to pass the new legislative appropriations bill and once it is enacted, it takes several days for processing, causing another delay in paying the session staff. Your Committee finds that this bill would address this problem on a short-term basis.

In addition, your Committee finds that a study is needed to determine how best to ameliorate this situation on a long-term basis. Currently, the Hawaii State Legislature operates using legislative staff on a part-time basis, with a regular session generally lasting sixty working days each year.

The national trend appears to favor full-time legislative staff because this practice encourages continuity and a higher level of competence and efficiency. Accordingly, your Committee has amended this bill to appropriate funds to conduct an in-depth study to survey the administration and automated operations of the legislatures in the other forty-nine states to determine the most efficient and equitable means of conducting legislative operations for the State of Hawaii.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 1256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1256, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 245 Legislative Management on H.B. No. 1156

The purpose of this bill is to appropriate funds to the Legislative Reference Bureau for a feasibility study on a Capitol Tour and Information Service Program.

Your Committee finds that the Sergeant-at-arms office of the House of Representatives currently conducts tours at the request of lawmakers, the Executive Branch, and the public, which have been extremely successful in educating visitors and residents. These tours have been popular with the public. In fact, the guides currently conducting the tours stated that over 10,000 people visited the Capitol in 1988.

This demand demonstrates a need for an expansion of the existing tours as a permanent tour program. As a result, your Committee feels it is not necessary to conduct a feasibility study on a tour program. Accordingly, this bill has been amended to appropriate funds through the Office of Information for a pilot program to establish a permanent, year-round State Capitol Tour and Information Services Program. In addition, the bill has been amended to require the Office of Information to report its findings and recommendations to the Legislature.

This bill has also been amended to insert the sum of \$75,000 as the appropriated amount to be expended by the Office of Information.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 1156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1156, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 246 Legislative Management on H.B. No. 587

The purpose of this bill is to provide sufficient funding for the Legislative Scientific Advisory Committee and the Legislative Economic Advisory Council to compensate members for expenses incurred in the performance of their duties.

Your Committee received testimony supporting the intent of this bill from Public Affairs Consultants--Hawaii and several individuals, who felt this bill would help improve the quality of Hawaii's legislative process by making more accessible the expertise of technical and scientific experts to legislators.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 587 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 247 Higher Education and the Arts and Judiciary on H.B. No. 119

The purpose of this bill is to amend Section 304-14.6 of the Hawaii Revised Statutes to allow the University of Hawaii Board of Regents to waive tuition fees for spouses and dependents of Hawaii National Guard members who have been killed or permanently disabled while on active duty.

Your Committees heard testimony from the University of Hawaii and the State of Hawaii Department of Defense in favor of the bill. "It is a benefit which can provide surviving or affected dependents an opportunity to reconstitute their shattered lives and to shape a future for themselves," according to the Adjutant General.

Your Committees have made a technical, nonsubstantive change to the bill.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of H.B. No. 119, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 119, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Takamine, Cvasso and Hemmings.

SCRep. 248 Higher Education and the Arts and Economic Development and Hawaiian Affairs on H.B. No. 1240

The purpose of this bill is to appropriate \$91,000 for fiscal year 1989-1990, and \$92,000 for fiscal year 1990-1991, to establish space education teacher resource centers at the Planetary Data Center of the University of Hawaii and at the Center for Astronomy and Space Science Education at the University of Hawaii in Hilo. The centers would provide technical expertise and instructional support to Hawaii's teachers.

Your Committees heard testimony in support of the bill from the chancellor of the University of Hawaii, the director of the Department of Business and Economic Development and the superintendent of the Department of Education.

Your Committees on Higher Education and the Arts and Economic Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 1240 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 249 Higher Education and the Arts on H.B. No. 1235

The purpose of this bill is to appropriate funds for ongoing and new programs of the State Foundation on Culture and the Arts.

Your Committee heard testimony from the Department of Accounting and General Services and various organizations and individuals in support of the bill. Testimony indicated that the funding would enable the foundation to broaden its services to the community and provide needed financial assistance to deserving artists.

While in agreement with the intent of the bill to provide funding for new programs, your Committee finds funding must be limited at this time. Your Committee has therefore amended the appropriations for fellowships to \$25,000 and special events to \$50,000.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1235, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 250 Higher Education and the Arts on H.B. No. 1234

The purpose of this bill is to appropriate funds from the general revenues of the State of Hawaii to the State of Hawaii Endowment fund in the amount of \$750,000 for each fiscal year of the biennium, 1989-1991.

Your Committee heard testimony from the Honolulu Symphony and the International Longshoremen's and Warehousemen's Union, Local 142 in support of the bill.

Your Committee has amended the amount appropriated in the bill to \$250,000 for each fiscal year of the biennium, 1989-1991.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1234, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 251 Higher Education and the Arts on H.B. No. 1233

The purpose of this bill is to set forth the conditions for matching and reversion of funds for the Honolulu Symphony trust's State of Hawaii Endowment fund.

Your Committee heard testimony in support of this bill from the Honolulu Symphony and the International Longshoremen's and Warehousemen's Union, Local 142. Testimony indicated that the enactment of this bill would alleviate the problems the Honolulu Symphony trust administrators are encountering in carrying out the intent of the endowment fund legislation.

Your Committee has amended this bill to correct technical drafting errors.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1233, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1233, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 252 Higher Education and the Arts on H.B. No. 1504

The purpose of this bill is to create a Portuguese celebration commission which shall plan and provide for the two hundredth anniversary celebration of the arrival of the Portuguese in Hawaii.

Testimony was received by your Committee from the Honorary Consul of Portugal in Hawaii in support of the bill. Your Committee finds that the Portuguese people's contributions to the development of Hawaii's unique cultural environment are best recognized by the enactment of the bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1504 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 253 Higher Education and the Arts on H.B. No. 1798

The purpose of this bill is to continue the flexibility legislation granted to the University of Hawaii by Act 321, SLH 1986, and to maintain the Governor's responsibility to ensure the economic and efficient management of the state's financial resources.

Your Committee heard testimony in support of the bill from the president of the University of Hawaii and the director of the Department of Accounting and General Services.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1798 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254 Higher Education and the Arts on H.B. No. 1812

The purpose of this bill is to continue flexibility legislation granted to the University of Hawaii by Act 320, SLH 1986, and to maintain the Governor's responsibility to ensure the economic and efficient management of the state's financial resources.

Your Committee heard testimony in support of the bill from the president of the University of Hawaii and the director of the Department of Budget and Finance.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1812 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255 Higher Education and the Arts on H.B. No. 1912

The purpose of this bill is to authorize the establishment of a special fund for the University of Hawaii system's libraries into which will be deposited all receipts from fines, fees, and other revenue derived from those libraries' operations.

Your Committee heard testimony in support of the bill from the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1912 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 256 Higher Education and the Arts on H.B. No. 243

The purpose of this bill is to delete the requirement of self-sufficiency for child care centers established by the University of Hawaii and to enable the Legislature to provide supplementary funding through the appropriation of State general revenues.

Your Committee received overwhelming testimony in support of the bill from many individual organizations, including the University of Hawaii (University), the University of Hawaii Professional Assembly, the Office of Children and Youth, and a number of students whose children are enrolled at the University of Hawaii at Manoa child care center. Many of the students testifying emphasized that the center has enabled them to take advantage of postsecondary educational opportunities which would otherwise be precluded, or made much more difficult to pursue.

Since its inception 18 months ago, the center has been required to operate on revenues received through fees. Typically, however, many students who might use the services of the center for their children find it difficult to pay for child care, and must incur debt to meet their total expenses. Government loans are readily available to assist with tuition and living expenses. However, such loans are not available for child care. To assist with child care expenses, students must pursue traditional avenues such as private lending institutions, where loans are much more difficult to secure.

Supplemental funding of child care programs sponsored by the University would assist a particular sector of the population. Your Committee would like to clarify that this bill is not intended to establish the public policy that the State subsidize child care in general. Rather, this bill focuses on a particular group and is intended to facilitate their access to postsecondary opportunities.

While in support of the bill, the University suggested an alternate method of allowing campus child care to be funded from other sources. The University testified that the revolving fund should be maintained in its present form to prevent the commingling of general funds with fees received through tuition. Instead, the University recommended an amendment to Act 233, SLH 1986, to specify that child care services may be supported with proceeds from the general revenues of the State, as well as the revolving fund, to pay for expenses incurred in operations. Relatedly, the Office on Children and Youth testified that other sources such as federal funds should also be allowed to support University child care.

The Office on Children and Youth also recommended that the term "child care centers" be changed to read "child care programs" to enable the University to be flexible in its offerings of child care services such as family child care satellite homes for infant and toddler care.

In consideration of the foregoing recommendations, your Committee has amended the bill as follows:

- (1) On page 1, line 15, changed reference to "child care programs" from "child care centers";
- (2) In Section 2, changed the name of the revolving fund from the "child care center revolving fund" to the "child care revolving fund" and appropriately changed all succeeding references to it;
- (3) In Section 2, deleted the proposal to allow appropriations from State general revenues to be deposited in the fund;
- (4) In Section 3, authorized the University to establish child care programs rather than a child care program;
- (5) In Section 3, retained a Section 3 in Act 233, SLH 1986, but deleted the substance of it, and replaced it with the authorization that child care services may be supported with other sources besides the revolving fund, such as general revenues and federal grants.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 243, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 257 Higher Education and the Arts on H.B. No. 1195

The purpose of this bill is to amend Section 304-8.92 of the Hawaii Revised Statutes to permit the University of Hawaii to accept other types of funding, beyond legislative appropriations, into the Discoveries and Inventions Revolving Fund. The bill also clarifies the purpose of the fund.

The university testified in favor of the bill with suggested amendments.

Your Committee has amended the bill to allow for the deposit of fee revenues collected from the Library's External Services Program, the Research and Information Network, and from other information providers within the university. According to testimony, fees collected will be utilized for the purpose of maintaining, improving, expanding and operating the information network service.

In addition, the bill has been amended to mitigate concerns expressed by the Department of Business and Economic Development that language in the bill infringes on the prerogatives of the department. Your Committee has also made technical, nonsubstantive changes for the purpose of style and clarity.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1195, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 258 Higher Education and the Arts on H.B. No. 1194

The purpose of this bill is to allow the University of Hawaii Board of Regents to increase, by seven percent, the number of tuition waivers offered to students of the University of Hawaii at Manoa and the University of Hawaii at Hilo. The bill also increases, by one percent, the number of tuition waivers given to highly qualified students whose presence advance the University's mission as a bridge between East and West.

Your Committee heard testimony in support of the bill from the University of Hawaii and from concerned University students. The University has determined that there is a great need to increase the number of tuition waivers. Recently, they have had to turn down a substantial number of fully qualified students entitled to the waivers.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1194, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 259 Higher Education and the Arts on H.B. No. 1180

The purpose of this bill is to offer an optional retirement plan (ORP) for University of Hawaii employees in order to provide for portability of pension benefits thereby enhancing efforts to recruit qualified faculty.

Your Committee heard testimony in favor of the bill from the University of Hawaii, the University of Hawaii Professional Assembly, and private organizations that would offer the optional retirement plan to the university. All agreed that in order to provide quality education for Hawaii's people, the University of Hawaii must be able to attract qualified faculty. To do so, however, the university must compete nationally with private and public institutions of higher education.

Testimony stated that a large part of the problem in recruiting qualified faculty at the university is that prospective faculty are reluctant to accept positions since they would be unable to continue their participation in retirement plans

established by other universities. This plan would allow them to continue their retirement plan. Testimony also indicated that the establishment of this plan would not significantly affect the profitability of the current Employee Retirement System (ERS).

Your Committee has amended the bill to reflect testimony that the State's contribution under an optional retirement plan should be based on a percentage of employees' basic annual earnings inclusive of stipends. Your Committee has further amended the bill to provide that the University of Hawaii Board of Regents, rather than the ERS Board of Trustees, be charged with certifying the amount of the appropriation needed to make the contribution to the optional retirement plan.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1180, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 260 Higher Education and the Arts on H.B. No. 1157

The purpose of this bill is to statutorily require the State Foundation on Culture and the Arts (Foundation) to exhibit works of art created by local artists to cultivate public awareness of the visual arts.

The Foundation submitted testimony estimating that a program to fulfill the added responsibility would cost approximately \$411,464 for sufficient staff, equipment, and other resources.

In addition to addressing the exhibit program, the Foundation requested an amendment to the bill which would require it to provide fellowships to individual artists. As envisioned, these fellowships would be made available to established artists who are residents of the State. Individual artist fellowship programs which are ongoing in 38 of the 56 states and territories have demonstrated that such fellowships provide an incentive for artists to remain and work in the state or territory. Furthermore, fellowships can enable artists to work for a national audience, and any recognition which may be received by the artist is ultimately also returned to the State.

Upon consideration of the high cost of the exhibit program and the Foundation's request to establish a fellowship program, your Committee has amended the bill as follows:

- (1) Deleted in Section 1 the proposed requirement that the Foundation establish an exhibit program;
- (2) Required the Foundation to establish an individual artist fellowship program;
- (3) Deleted Section 2, the blank appropriation for the exhibit program;
- (4) Deleted Section 3, the expending agency for the exhibit program; and
- (5) Renumbered the succeeding sections for purposes of consistency.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1157, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 261 Higher Education and the Arts on H.B. No. 1024

The purpose of this bill is to establish a temporary commission to develop a State museum of ethnic history.

Your Committee received enthusiastic support for the bill from many individuals and ethnically-oriented organizations such as the Japanese-American Citizens League, the Chinese Community Action Coalition, and the Puerto Rican Heritage Society of Hawaii. Overall support was expressed for the creation of the commission as a first step toward the establishment of an ethnic history museum, where residents and visitors alike may learn of, and be inspired by, the contributions which all the diverse peoples have made to Hawaii.

While in overall support of the measure, several testifiers cautioned against the provision in the bill which authorizes the commission to accept gifts and donations of property which might later be displayed or stored in the museum. Recognizing the advantages which may be gained from initiating efforts to preserve artifacts before they are lost to time, they were nevertheless in agreement that problems of greater magnitude may arise because of a lack of criteria for selecting articles, a lack of resources for documenting, classifying, and storing items, and the need to dispose of items should the museum not be actualized.

Another concern was raised regarding the narrow scope of the vision of the museum as described in the bill. According to the bill, the museum is to "preserve, collect, and display" artifacts representing Hawaii's ethnic heritage. It was pointed out that modern museums engage in a broader scope of activities, which include functions to disseminate information and/or knowledge.

In addition, it was pointed out that the composition of the commission does not expressly include a museum professional. Several individuals agreed that such a person would be able to make significant suggestions and

recommendations about the museum in the early stages of conception. Your committee is also in agreement, and therefore it urges the Governor to include a museum professional among the appointments to the State museum of ethnic history commission.

Addressing the previous concerns, your Committee has amended the bill by:

- (1) Inserting appropriate language to expand the scope of the museum so that it would not be limited to "preserving, collecting, and displaying" examples of contributions of Hawaii's diverse peoples; and
- (2) Deleting Section 6, thereby eliminating the authority of the commission to accept and receive gifts and donations; and
- (3) Renumbering the succeeding Sections for purposes of consistency.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1024, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 262 Higher Education and the Arts on H.B. No. 460

The purpose of this bill is to provide funds for the continuation of moving image preservation activities.

Your Committee heard testimony in support of the bill from the Department of Accounting and General Services, the Department of Commerce and Consumer Affairs and a producer from network television. Your Committee finds from the testimony presented that the preservation of moving images is a continuing need in Hawaii and that additional funding is needed.

Your Committee has amended the appropriated amounts in section 2 of the bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 460, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 460, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 263 Higher Education and the Arts on H.B. No. 451

The purpose of this bill is to appropriate money to take the preliminary steps necessary to expand West Oahu College from a two-year upper division undergraduate institution to a four-year liberal arts undergraduate institution with a minimum enrollment of 10,000 students. Steps will include site selection, land acquisition and master planning.

Your Committee heard testimony from the president of the University of Hawaii in support of the bill. The president recommended that only planning money be appropriated in the bill because an official position has not yet been approved by the University of Hawaii Board of Regents.

Your Committee has amended the bill to appropriate planning money for the expansion of West Oahu College.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 264 Higher Education and the Arts and Economic Development and Hawaiian Affairs on H.B. No. 135

The purpose of this bill is to establish statutorily: (1) a Center for Hawaiian Language and Hawaiian Medium Culture at the University of Hawaii at Hilo to be called the Hale Kuamo'o, and (2) an Advisory Council on the Hawaiian Language and Hawaiian Medium Culture, to be called the 'Aha Kuamo'o.

Your Committees received abundant testimony from organizations and individuals in overall support of the bill. Language is a vessel which contains and transmits the richness and the subtleties of a culture, and when a language dies, the culture virtually perishes with it. It is estimated that only approximately 1,000 native speakers of the Hawaiian language remain alive today, most of whom are elderly. This bill seeks to preserve the Hawaiian language, and thereby also perpetuate the Hawaiian culture, through the establishment of an institute and an advisory council.

While in agreement with the general concept of the bill, several testifiers raised a number of concerns about its specifics. The following major concerns were raised:

- (1) Designating the center as "the" developer of instructional materials, teachers, and examinations for Hawaiian medium education appears to infringe upon the responsibilities other State agencies such as the Department of Education;

Representatives from the Department of Land and Natural Resources submitted testimony in support of this bill. Testimony indicated the following:

1. The construction of the Molokai Irrigation Project was partially funded with a \$4.51 million federal loan from the U.S. Bureau of Reclamation on June 3, 1963;
2. Installment payments reduced the loan balance to \$2.93 million as of June of 1988;
3. In early 1988, under the Federal Budget Reconciliation Act of 1987, the Bureau of Reclamation extended an attractive prepayment offer to loan borrowers. In the case of the Molokai Irrigation Project, this offer would have translated into repurchase of the above-noted loan balance for a reduced price of \$1.2 million. The offer was to expire in August of 1988.
4. With the advice of the Department of Budget and Finance and the consent of Governor Waihee, the Department of Land and Natural Resources accepted the federal offer and prepaid the loan in accordance with the following arrangement:

Federal loan balance as of June of 1988	\$2,933,922
Federal discount offered	<u>(1,734,728)</u>
Loan repurchase price.	1,199,194

State remittance:

Budgeted FY88/89 repayments	(390,721)
Diverted from LNR 141 program	<u>(808,473)</u>

Final loan balance	- 0 -
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Testimony also indicated that the immediate passage of H.B. No. 875 would restore the diverted \$808,473 of operating funds to the Department of Land and Natural Resources and would permit the Department of Land and Natural Resources to resume and complete its scheduled FY 1989 program activities.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 875 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271 Water and Land Use on H.B. No. 350

The purpose of this bill is to help revitalize downtown Hilo, from a blighted area into a thriving and vibrant business district, by providing funds to help implement the downtown Hilo redevelopment plan. Under this bill, \$91,000 would be appropriated to the Hawaii Redevelopment Agency to finance redevelopment planning and administrative costs.

Your Committee finds that significant progress has been made over the past three years to redevelop Hilo. Since 1985, total expenditures for revitalization activities have exceeded \$3.5 million, half of which came from the private sector. During that same period, the downtown redevelopment area has experienced a net gain of 59 business starts and 142 new jobs.

Your Committee finds that in order to maintain this momentum, State assistance is needed, as provided in Section 53-22, Hawaii Revised Statutes, to complement the private sector's revitalization efforts. Under this bill, such support would be matched by the County of Hawaii in an amount at least equal to the State's contributions.

The Hawaii Redevelopment Agency and the Hilo Main Street Program both strongly supported this bill.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 350 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 272 Water and Land Use on H.B. No. 1629

The purpose of this Act is to appropriate sums from the general revenues of the State of Hawaii for a variety of CIP projects throughout the State.

Your Committee finds that these beach, park, and cultural land acquisitions and improvements will help to secure a reasonable quality of life for this and future generations.

Your Committee has made the following amendments to the Bill:

1. Deleted the following items:

 Waikiki War Memorial Natatorium, Oahu (A)
 Federal Post Office Building, Oahu (G)

Maha'ulepu Beach, Kauai (J)
 Brennecke Beach, Kauai (K)
 Russian Fort, Kauai (L)
 Molokai Ranch, Molokai (N)
 Puna Water Development, Hawaii (P)
 Puna Water Development, Hawaii (Q)
 South Hilo Water Development, Hawaii (R)
 Hamakua Water Development, Hawaii (S)
 Hamakua Water Development, Hawaii (T)
 Hamakua Water Development, Hawaii (U)
 North Kohala Water Development, Hawaii (V)
 South Kohala Water Development, Hawaii (W)
 South Kohala Water Development, Hawaii (X)
 North Kona Water Development, Hawaii (Y)
 South Kona Water Development, Hawaii (Z)
 Islandwide Water Improvements, Hawaii (AA)

2. Added the following items:

Poipu Beach Park Expansion	
Beach land acquisition	
Land	3,000,000
Total funding	3,000,000
Old Kona Airport Park	
Park Construction	
Plan	25,000
Design	50,000
Construction	425,000

3. Made the following dollar adjustments:

- a) Increased the plans for the State park in west Maui by 50,000.
- b) Appropriated 100,000 for Trail right-of-ways.
- c) Increased the plans by 30,000 and design by 75,000 for the Kealakekua Bay State Historical Park, Hawaii.
- d) Appropriated 700,000 for the Kukaniloko Birth Site, Oahu.
- e) Increased the plans by 95,000 and the construction by 165,000 for the family oriented beach campground at Kealakehe, Hawaii.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1629, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 273 Water and Land Use on H.B. No. 1829

The purpose of this bill is to amend Section 171-35, Hawaii Revised Statutes, by allowing the Board of Land and Natural Resources the option of establishing lease rental payment on a monthly basis, in addition to the presently allowed quarterly, semi-annual or annual payment options.

Your Committee received testimony in favor of this bill from the Department of Land and Natural Resources, and the Department of Transportation.

Lessees under leases issued by the Board of Land and Natural Resources are presently restricted to paying their rentals quarterly, semi-annually or annually. Your Committee finds that with the option of allowing rental payment on a monthly basis, the Board of Land and Natural Resources would have increased flexibility in establishing payment schedules which would be less burdensome to these lessees.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1829 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274 Water and Land Use on H.B. No. 1832

The purpose of this bill is to amend Section 171-19, Hawaii Revised Statutes, to increase the land maintenance fund from \$200,000 to \$500,000, and to allow the Department of Land and Natural Resources to exceed the \$500,000 limit only with the prior approval of the Governor.

Based on the testimony received, your Committee finds that most of the provisions of the bill warrant further study. Accordingly, your Committee has deleted all provisions found in Section 1 of the bill except for the proposed section entitled: "Nonresidents prohibited from exploring, excavating, or surveying sites and carrying away objects." Your Committee finds that a prohibition from exploring sites and removing artifacts from the State is needed. However, such a prohibition should not be dependent on the place of residence of the person doing the activity. Accordingly, your Committee has further amended the bill by:

1. Replacing the phrase "nonresidents prohibited" on line 1 of page 2 of the original bill with "prohibition";
2. Deleting the phrase "not a resident of the State of Hawaii" on lines 2 and 3 of page 2 of the original bill; and
3. Replacing the phrase "of the sites described in section 6E-" on line 5 of page 2 of the original bill with the phrase "burial site, cave, earthwork, or other antiquity within the State".

Finally, your Committee has also made a technical, nonsubstantive amendment to the bill to conform to the proper Ramseyer format.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 280, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 267 Water and Land Use on H.B. No. 1821

The purpose of this administration Bill is to provide the mechanism for preserving the State's resource value lands. Chapter 173A, HRS, is amended by broadening the provisions for acquisition and management of such lands and provides for the continued administration of land banking through the Department of Land and Natural Resources.

Given the state's burgeoning population, your Committee finds this bill to be an excellent means of preserving these lands and maintaining a reasonable quality of life for the people of Hawaii.

Your Committee has made the following amendments to the Bill:

1. Because H.B. No. 1818 and its companion, S.B. No. 1921, MAKING AN APPROPRIATION FOR THE ACQUISITION FOR A PORTION OF THE KAPALAMA MILITARY RESERVATION, are also land bank measures, Section 9 has been added in order to ensure that any unexpended or unencumbered funds is specifically utilized for this purpose.
2. Section 11 has been inserted to require the Department of Land and Natural Resources to accord priority consideration toward the purchase or acquisition of land known as Big Beach on Maui because of its unique and irreplaceable value as a resource to our State.
3. Section 173A-3 of HRS, which Section 6 of this Bill repeals, has been retained. Furthermore, "may" is replaced by "shall" on p. 5, line 1, in order to require the Department of Land and Natural Resources to prepare and update a plan of land acquisition.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1821, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 268 Water and Land Use on H.B. No. 1450

The purpose of this bill is to: (1) amend Chapter 184, Hawaii Revised Statutes, to establish the 'aina hoomalu state parks program and to create the 'aina hoomalu special fund; and (2) to amend Chapter 237D, Hawaii Revised Statutes, to earmark and designate \$25,000,000 of the transient accommodations taxes collected to be paid into the 'aina hoomalu special fund.

Hawaii's Thousand Friends and the Sierra Club, Hawai'i Chapter testified in support of this measure.

Your Committee received testimony from the department of taxation indicating that the the bill would require the department to provide a receipt to a taxpayer and the department does not now provide receipts, as canceled checks are sufficient. The testimony of the department of taxation also indicated that providing receipts would substantially add to the department's administrative expenses and would serve no purpose. The department of taxation, therefore, recommended the deletion of that provision.

Your Committee received testimony from the department of taxation indicating that, by amending section 237D-6, Hawaii Revised Statutes, the bill would delete the references to remittances as it applies to the filing of transient accommodations tax returns. The testimony of the department of taxation also indicated that the effect of the amendment would be to remove the form of remittance to be accompanied with the filing of a tax return. The department of taxation, therefore, recommended that the bill be amended to read "director shall prescribe [.] , together with a remittance for the amount of the tax in the form required by section 237D-_____."

Your Committee received testimony from the department of taxation indicating that the new section added to Chapter 237D, Hawaii Revised Statutes, makes reference to a subsection (b). The testimony of the department of taxation also indicated that there is no subsection (b) in the bill as drafted.

Your Committee has adopted the recommendations of the department of taxation by making the following amendments:

1. Deletion of "The department shall issue receipts to the taxpayer." on page 4, line 19;
2. Deletion of "Except as otherwise provided under subsection (b)," on page 4, line 19 and page 4, line 20; and
3. Deletion of ". ." on page 5, line 8 and the insertion of ", together with a remittance for the amount of the tax in the form required by section 237D-" on page 5, line 8.

The department of land and natural resources testified in support of this measure provided that the measure would not replace the current priorities of the department of land and natural resources, as indicated in the Executive Biennium Budget, and provided that additional funding would be provided for Hawaii District Office support.

Your Committee received testimony from the department of land and natural resources indicating that the bill provides \$456,000 each for district office support on Oahu, Kauai, and Maui. The department of land and natural resources, therefore, recommended that an additional \$456,000 also be provided for the Hawaii District Office, since the 'aina hoomalu state parks program would involve parks in the Hawaii District.

Your Committee has adopted the recommendations of the department of land and natural resources by making the following amendments:

1. Addition of "Hawaii district office support --- \$456,000" and
2. Deletion of "\$4,227,328" on page 6, line 4 and the insertion of "\$4,683,328" on page 6, line 4.

Your Committee has further amended this bill by making the following amendments:

1. Insertion of "Ka Iwi scenic shoreline park", defined as the Koko Head to Makapu'u area of the island of Oahu, as one of the seven model 'aina hoomalu;
2. Deletion of " - Keolonahihi State Historical Park" on page 2, line 9; and
3. Addition of "~~§184-~~ **Annual report.** The department of land and natural resources shall submit an annual report on its implementation of this part to the governor and the legislature at least twenty days before the convening of each regular session of the legislature."

Your Committee has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity. Your Committee has further amended this bill to correct a technical drafting error on page 6, line 7 so that it now reads: "SECTION 7. This Act shall take effect on July 1, 1989."

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1450, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 269 Water and Land Use on H.B. No. 725

The purpose of this bill is to amend Sections 501-105, 501-108, and 501-218, Hawaii Revised Statutes. The amendment to Section 501-105, Hawaii Revised Statutes, makes the requirement of the grantee's address in deeds consistent in both recording systems. The amendment to Section 501-108, Hawaii Revised Statutes, provides for a consistent location of recording information on documents recorded in both recording systems. The amendment to Section 501-218(1), Hawaii Revised Statutes, provides flexibility to adjust recording fees by empowering the Supreme Court to adjust recording fees by rules. The amendment to Section 501-218(2), Hawaii Revised Statutes, provides fees for the sale of computerized data of the daily entry record. The amendment to Section 501-218(3), Hawaii Revised Statutes, provides a fee for inquiring into computer data of the Land Court automated title system.

Your Committee received testimony from the Department of Land and Natural Resources in support of this measure.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 725 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 270 Water and Land Use on H.B. No. 875

The purpose of this bill is to appropriate the sum of \$808,473 to restore Department of Land and Natural Resources operating funds, which were diverted to prepay a federal loan for the Molokai Irrigation Project, currently managed by the Department of Land and Natural Resources.

- (2) Academic qualifications of the director of the center are not high enough for such a position;
- (3) Designating the minimum step and rank for the salary of the director and associate director is not appropriate since faculty salary is, by convention, determined by qualifications and experience; and
- (4) The bill appears to imply that the director and assistant director of the center are to be appointed from the faculty at the University of Hawaii at Hilo since, upon leaving these positions, they may "return" to employment on that campus; and
- (5) In light of education as the thrust of the center, the bill does not require enough expertise in the field of education among members of the advisory council.

In consideration of concerns which were expressed, your Committee made numerous amendments to the bill. The following are the major amendments which were made:

- (1) Designated the center as an agency, rather than the sole agency, responsible for the development of materials, teachers, and examinations for Hawaiian medium instruction;
- (2) Added as functions of the center the evaluation of Hawaiian language services in Hawaii and the review of legislation pertaining to the Hawaiian language;
- (3) Included a Master's degree among the qualifications for the director of the center;
- (4) Deleted the provision specifying the minimum step and rank for the salary of the director and the associate director, and replaced that standard with "a level indicative of the importance of the Hawaiian language to the State";
- (5) Deleted the provision that allows the director and associate director of the center to "return" to the Hilo campus, thereby eliminating the implication that those who fill these positions will be selected from among its faculty, and replaced that provision with an option for each of them to assume a regular position at the Hilo campus;
- (6) Deleted the requirement that the appointment of the associate director must be approved by the director;
- (7) Deleted the provision allowing legislative appropriations to be deposited in the Hale Kuamo'o revolving fund;
- (8) Deleted the provision allowing staff salaries to be paid for with the revolving fund;
- (9) Reduced the size of the advisory council from 19 to 11 members;
- (10) Deleted the requirement that advisory council members demonstrate fluency and literacy in Hawaiian;
- (11) Deleted the requirements for the composition of the appointed members of the council, and replaced those requirements with others which emphasize background in the field of education;
- (12) Added a provision specifying that advisory council members shall designate a chairman, and also added procedures for the designation of substitutes for ex officio members;
- (13) Replaced the advisory council with the center as the agency to be involved with coordination with other State agencies;
- (14) Appropriated \$_____ for fiscal year 1989-1990 to be expended by the University of Hawaii; and
- (15) Changed the effective date of the bill from the approval date to July 1, 1989.

In addition, minor amendments which maintain the integrity of the bill have also been made.

At this time your Committees would like to emphasize that, while the bill proposes to establish the center and advisory council within the University system as most appropriate from an organizational standpoint, the intent of the bill is not to limit efforts and activities to the confines of higher education. Rather, the bill incorporates a much broader scope, involving the transfer of academic knowledge from the University to the general public for the benefit the larger community.

Your Committees on Higher Education and the Arts and Economic Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 135, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 135, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 265

Water and Land Use and Higher Education and the Arts on H.B. No. 38

The purpose of this Act is to initiate the cultural revitalization of downtown Honolulu by appropriating \$4,000,000 for improvements to the Hawaii Theatre, \$100,000 for the Kamehameha V post office renovations, and \$50,000 for a legislative audit examination of the use of Iolani Palace.

Your Committee finds that Hawaii Theatre has the potential to become a quality performing arts center. With a 1700 seat capacity, it would serve as a viable alternative for the nearly 150 events turned away by the Blaisdell Concert Hall, and contribute immensely to the economic vitality of downtown Honolulu after dark.

Your Committee finds that the State of Hawaii owns one of the largest collections of portable works of art in the community, purchased through the art-in-the-state buildings program. Displaying more of these works in a public gallery built in the Kamehameha V post office building would be another cultural jewel for Honolulu's urban core.

Your Committee also finds that much devoted work continues to go into improving Iolani Palace, truly Honolulu's centerpiece. A legislative audit will evaluate ways of providing increased public accessibility to the only royal palace in the United States.

Your Committee further finds that the establishment of a Hawaii youth creative arts center, perhaps at Central Intermediate School should it become available, would not only educate our children and enhance their appreciation for culture and the arts, but could also house a needed child science and technology center.

Your Committee finds that with the proper planning, vision, and funding, these cultural resources could offer a wide range of attractions and opportunities for the people of Hawaii.

Your Committee has amended this bill by:

1. Replacing all instances of Kamehameha IV with Kamehameha V (p. 2, line 19; p.3, line 10; p. 4, line 17).
2. Replacing "accounting and general services" with "land and natural resources" on p. 4, lines 12-13, in order to reflect the proper expending agency.

Your Committees on Water and Land Use and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 266

Water and Land Use on H.B. No. 280

The purpose of this bill is to protect Hawaiian artifacts by:

1. Reserving for the State of Hawaii the exclusive right and privilege of exploring, excavating, or surveying through authorized officers, agents, or employees all burial sites, caves, earthworks, and other antiquities within the State, subject to private owner rights;
2. Declaring State ownership of any and all artifacts or relics found or located on any land within the State;
3. Prohibiting nonresidents from exploring, excavating, or surveying sites and carrying away objects;
4. Requiring owner consent prior to exploring or excavating;
5. Prohibiting the destruction, defacement, or permanent injury to any remains explored or excavated;
6. Prohibiting the out of state sale or disposal of any objects taken from any remains; and
7. Placing objects gathered by the State in museums and libraries of the educational or other institutions of the State, or allowing them to be exchanged for similar or other objects from other states, libraries, museums, or individuals.

Your Committee received testimony on this bill from the Department of Land and Natural Resources, the Historic Hawaii Foundation, and the Land Use Research Foundation of Hawaii. Major concerns on this bill included the following:

1. If all rights were reserved with the State, this would result in either an expensive or cumbersome process and would add delays to projects;
2. The validity for claiming State ownership of all artifacts or relics found on any land may be questionable;
3. The prohibition against removal of artifacts from the State may need to be expanded from only nonresidents to all persons;
4. The requirement to obtain owner consent prior to exploring or excavating sites would conflict with Section 6E-10(e), Hawaii Revised Statutes; and
5. Because any archaeological excavation would, by definition, destroy a site, the provision restricting such destruction would effectively eliminate all archaeological excavation.

At the present time, Section 171-19, Hawaii Revised Statutes, authorizes the Board of Land and Natural Resources to use \$200,000 per year out of the special land and development fund for the incidental maintenance of lands under the control and management of the Board. The fund is used for repair of sidewalks, removal of fallen trees or trees posing a danger to structures, stream clearing, marijuana plant eradication, and many other uses associated with the statewide maintenance of lands under the control of the Board. Experience has shown that the present land maintenance fund is inadequate. With an increase in the Department's land maintenance fund, the State would be better able to maintain priority problem areas statewide.

Your Committee received testimony in favor of this bill from the Board of Land and Natural Resources.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1832 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 275 Water and Land Use on H.B. No. 1837

The purpose of this bill is to amend Section 171-6, Hawaii Revised Statutes, to authorize the Board of Land and Natural Resources to set a service charge, not to exceed \$50.00 per month, for each delinquent payment due on lease rental, sales, and other accounts of the Department of Land and Natural Resources.

The Legislature finds that delinquent accounts require special handling by department staff. The service charge imposed by this bill would compensate the department for time and money spent handling these delinquent accounts. Additionally, the imposition of the service charge will encourage timely payments.

Your Committee received testimony in favor of this bill from the Board of Land and Natural Resources, and the Department of Transportation.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1837 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 276 Water and Land Use on H.B. No. 37

The purpose of this Act is to acquire interests in real property to control future growth, development, and land use within the State by establishing an office (agency) within the Department of Land and Natural Resources to administer a land bank program.

This office will be empowered to acquire title to or long-term use of, manage, improve, maintain in natural condition or as a reserve, and make available for public enjoyment, lands which are of present or future benefit to the public.

Your Committee finds that the demands of a rapidly growing population have placed increasing demands on the finite land resources of our State. It has now become imperative to establish a statewide land banking program and to preserve these lands for Hawaii's future generations.

Your Committee has amended this bill by adding Section 5 which requires the Department of Land and Natural Resources to accord priority consideration toward the purchase or acquisition of Coconut Island on Oahu, because of its unique and irreplaceable value as a resource to our State.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 37, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 37, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277 Water and Land Use on H.B. No. 726

The purpose of this bill is to amend Chapter 171, Hawaii Revised Statutes, to provide for a penalty provision in the statutes for violation of administrative rules regulating unencumbered public lands, and to amend Section 171-1, Hawaii Revised Statutes, to provide for a definition of "unencumbered public lands."

Your Committee received testimony from the Department of Land and Natural Resources in support of this measure. Testimony indicated that the present law empowers the Board of Land and Natural Resources to administratively penalize violators of the administrative rules of the Department of Land and Natural Resources regulating unencumbered public lands. Testimony also indicated that this process is very slow and time-consuming.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 726 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 278 Water and Land Use on H.B. No. 1836

The purpose of this bill is to amend Section 171-36(a), Hawaii Revised Statutes, to (1) permit the Board of Land and Natural Resources to receive a premium based on the net amount of consideration an assignor of a lease of State land receives from an assignee, and (2) require in cases where the lessee of State land is required to pay rent based on a percentage of its gross receipts that the revenue of the sublessee be included as part of the lessee's gross receipts.

The present law provides that the Board of Land and Natural Resources may revise the rental paid on State leases based upon the consideration paid on an assignment of a lease. However, this places the burden of increase rental on the assignee of the lease rather than the assignor who possibly would reap excess profits from the assignment. The State, under the present law, is not entitled to any portion of the assignor's profit even though the consideration paid for the assignment reflects an appreciation of the State land in the lease. This bill would shift the burden away from the assignee and permit the State to share in the assignor's profit.

Additionally, under the present law, in many cases where the lessee of State land is required to pay rent based on a percentage of its gross receipts, only the rental paid by the sublessee is being reported by the lessee. This results in the State's not receiving its fair share of gross revenues. This bill would require the revenues of the sublessee to be included as part of the lessee's gross revenues for the purpose of calculating percentage rentals.

Your Committee received testimony in favor of this bill from the Board of Land and Natural Resources, and the Department of Transportation.

Upon further consideration, your Committee has determined that a lessee who assigns a lease in State land should pay the State an amount of not less than 25% of the profit which the lessee realizes from the assignment. Your Committee has amended this bill accordingly.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 1836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1836, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279 Intergovernmental Relations and International Affairs and Water and Land Use on H.B. No. 1858

The purpose of this bill is to provide additional revenue sources for infrastructure improvements, highways, and parks to the counties through the transfer of the authority to tax liquor and tobacco. In addition, the bill would transfer certain state parks to the counties and certain county parks to the State in order to better utilize the resources of each jurisdiction. Finally, the bill transfers to the counties the authority to regulate intoxicating liquor.

Each year, the counties come to the Legislature seeking additional sources of revenue for county services as well as for the construction and maintenance of county highways and infrastructure. This measure not only would give the counties complete authority to tax intoxicating liquor, but the counties also would have the power to change the tax rates as they desire.

Your Committees find that the transfer of the authority to tax liquor and tobacco products will require a transitional period to allow the counties to put in place the necessary administrative procedures. Your Committees, therefore, have amended the bill to provide that the Department of Taxation will continue to collect the liquor and tobacco taxes for a period of one year ending July 1, 1990, and will transfer the net revenues collected to the counties after the costs of collection are deducted. Similarly, your Committees find that time is needed to effectuate the transfer of parks and has changed that transfer date to January 1, 1990.

Your Committees also find that additional parks were recommended for transfer between the State and the counties by the Governor's Task Force on State-County Relations. Your Committees, therefore, have amended the bill to include the additional park transfers. Certain park transfers have also been deleted after testimony was heard convincing your Committees that these parks should remain with the State.

Your Committees heard testimony from the counties regarding the provisions of this bill relating to the allocation of liquor and tobacco tax revenues among the counties and their use for highway and infrastructure construction and maintenance. Your Committees have amended this bill to provide that the allocation to the City and County of Honolulu of the revenues in excess of the amount currently received by each county through grant-in-aid plus \$1 million shall not be reduced below 40 percent. Your Committees have also deleted the drop dead provision in the effective date.

Your Committees on Intergovernmental Relations and International Affairs and Water and Land Use are in accord with the intent and purpose of H.B. No. 1858, as amended herein, and recommend that it pass Second reading in the form attached hereto as H.B. No. 1858, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Say and Tajiri.

SCRep. 280 Higher Education and the Arts on H.B. No. 1196

The purpose of this bill is to amend Section 304-8.6 to allow the student activity fees, classified as "Special Funds", to be used for the purchasing of leis, refreshments, food and prizes. This bill provides clarification for auditing purposes as to what expenses are appropriate for the fund.

The purpose of this bill is to have the counties provide the Department of Transportation the necessary administrative and enforcement services for motor vehicle safety inspection programs.

Your Committee received testimony on this bill from the State Department of Transportation; the Department of Finance, City and County of Honolulu; Mayor Joann Yukimura, County of Kauai; and the Hawaii Police Department.

The Department of Transportation recommended that a new subsection be added to the bill which would provide for reimbursing the counties for the administration of the licensing and monitoring of vehicle inspection stations.

Your Committee finds that the vehicle safety inspection program is an integral component for maintaining highway safety.

This bill has been amended by your Committee to incorporate language requiring the Department of Transportation to reimburse the counties for the administering and monitoring of the vehicle safety inspection program.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1841, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 296 Transportation on H.B. No. 186

The purpose of this bill is to increase vehicle towing charges and to decrease vehicle storage fees.

Your Committee heard testimony in favor of this bill from the Department of Transportation and the Hawaii Automotive and Retail Gasoline Dealers Association. Your Committee finds that increases in towing fees from \$25 to \$35 a tow and from \$37.50 to \$40 a tow when a dolly is used are fair and reasonable when considering the costs of a driver, tow truck and applicable insurance.

Your Committee has amended this bill to retain the current \$6 fee for each twenty-four hour storage period, or fraction thereof, to reflect a fee comparable to that of current twenty-four hour parking rates.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 186, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 297 Transportation on H.B. No. 111

The purpose of this bill is to promote truck bed passenger safety by restricting: 1) standing in a truck bed while the truck is in operation; 2) sitting in a truck bed unless cab seating is full, and side racks are securely attached and tailboard/tailgate is securely closed; 3) minors sitting in truck beds unless accompanied by a person 18 years or older.

Your Committee received favorable testimony on this bill from the Department of Transportation, the Department of Health, the Honolulu Police Department, the Papakolea Community Association, the Hawaiian Humane Society, the Hawaii Transportation Association, the Hawaii Coalition For Safety Belt Use, and several concerned citizens.

The Hawaiian Humane Society recommended that the provisions of this bill be amended to regulate the carrying of animals on trucks. However, your Committee finds that the title of this bill is too restrictive to make such an amendment.

Your Committee finds that while the popularity of pickup trucks has increased, the number of major injury deaths and disabilities could be reduced by placing restrictions on persons riding in the beds of pickup trucks. Your Committee further finds that the assumption that persons 18 years of age or older know and apply safety principles that are unknown or not applied by younger persons cannot be warranted on the basis of traffic accident facts.

Your Committee on Transportation has amended this bill by deleting the section which would regulate the carrying of minors in the beds of pickup trucks. This bill has been further amended to prohibit persons riding in the backs of pickup trucks from attempting to control unlash cargo. A \$25 fine for violating the provisions of this bill has also been included by your Committee.

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

Signed by all members of the Committee.

SCRep. 298 Transportation on H.B. No. 122

The purpose of this bill is to implement the provisions of the Federal Commercial Motor Vehicle Safety Act (CMVSA) of 1986 (Title XII of Public Law 99-570), which will reduce and prevent motor vehicle accidents, fatalities, and injuries resulting from commercial motor vehicles. This bill adds new parts and sections to the Hawaii Revised Statutes, and also amends existing chapters and sections to carry out its provisions.

Your Committee received testimony on this bill from the State Department of Transportation; the Department of Finance, City and County of Honolulu; the Department of Finance, County of Kauai; the Hawaii Police Department, County of Hawaii; and the Hawaii Transportation Association.

During the course of testimony, there was concern as to whether this bill included provisions for requiring individuals to meet minimum health requirements before receiving commercial driver's licenses.

Your Committee finds that the establishment of a commercial driver licensing program is essential for highway safety. Your Committee also finds that the provisions of this bill must be enacted and enforced by the end of fiscal year 1992, or substantial penalties will be levied against the State by the federal government. Your Committee further finds that this bill requires all individuals wishing to obtain a commercial driver's license meet the qualification standards set forth by the Code of Federal Regulations Part 391.41 Subpart E, which requires all applicants for a commercial driver's license to undergo and pass a stringent medical examination.

Your Committee has made the following amendments to this bill by:

- 1) including language which requires commercial drivers to undergo a driver improvement program at least once every two years;
- 2) requiring those individuals who are twenty-four years of age or younger and those individuals who are sixty-five years of age or older to renew their commercial driver's licenses every two years;
- 3) adding further provisions for the disqualification from driving a commercial motor vehicle for life;
- 4) creating a new type IV license for drivers of trucks having a gross vehicle weight rating of more than ten thousand pounds and less than twenty-six thousand pounds;
- 5) removing buses and trucks having a gross vehicle weight rating of twenty-six thousand pounds or less from the list of vehicles an individual possessing a type IV license may drive; and
- 6) amending Section 291-5(b), Hawaii Revised Statutes, to make it more compatible with blood alcohol content levels set in Section 2 of this bill.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1838, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 288 Transportation on H.B. No. 1222

The purpose of this bill is to redefine the requirements for motor vehicle suncreening.

Your Committee received testimony in support of this bill from the Department of Transportation, the President of the Hawaii Coalition For Safe Glass Tinting, and a representative of a window film distribution company.

Your Committee finds that requirements on front windshield tinting are vague in terms of the placement of the tint. Your Committee also finds that changing the variance of the percentage of light transmittance of window tint will help enforce the tint law.

Your Committee has amended this bill by specifying the exact placement of front window tint. Your Committee has further amended this bill by decreasing the variance of light transmittance since light meters can now measure light transmittance more accurately.

Your Committee on Transportation 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 referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 289 Transportation on H.B. No. 1756

The purpose of this bill is to allow for tax exemption of vehicles owned or leased by police officers, the State, or the counties.

Your Committee received testimony on this bill from the State Department of Taxation; the Department of Finance, City and County of Honolulu; and the Honolulu Police Department.

Your Committee received testimony from the Vice President of Student Affairs at the University of Hawaii and the lobbying committee of the Associated Students of the University of Hawaii. All of the testifiers endorsed the need for clarification of the statute. The University suggested some technical, nonsubstantive amendments to the bill for the purposes of style and clarity. Your Committee agrees these amendments are needed and has made the necessary revisions.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1196, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 281 Transportation on H.B. No. 1918

The purpose of this bill is to establish procedures by which a law enforcement officer may request that a person suspected of operating an aircraft while under the influence of alcohol be tested using either a breath test, blood test, or both.

Hawaii Revised Statutes 263A-5 presently makes it unlawful for any person to operate an aircraft while under the influence of intoxicating liquor.

Your Committee received favorable testimony from the Department of Transportation and the Department of Health.

Your Committee finds that this bill will increase the level of aviation safety for aircraft operators and passengers by mandating similar guidelines for enforcement as presently exists for operating a motor vehicle under the influence of alcohol.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1918 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 282 Transportation on H.B. No. 1751

The purpose of this bill is to change the provisions relating to the registration of out of state vehicles by permitting any bona fide resident of the State of Hawaii who purchases a vehicle in another state, to register the vehicle with the Director of Finance and be issued State license plates. The bill would also replace vehicle serial or engine and factory numbers with vehicle identification numbers, and increase the fee for correction of registration records.

Your Committee received testimony in favor of this bill from the Department of Finance, City and County of Honolulu.

The Department testified that present statutes allow only Hawaii's Congressional representatives, their staff, and individuals who buy new vehicles through a local dealership to obtain Hawaii registration and license plates for out of state vehicles. This bill would allow bona fide residents the same opportunity.

Your Committee has amended this bill by making a minor, non-substantive change in the interest of clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 283 Transportation on H.B. No. 1921

The purpose of this bill is to establish rules and penalties for operating a marine vessel under the influence of alcohol similar to those presently in effect for the operation of a motor vehicle under the influence of alcohol.

Under Hawaii administrative rules, no person may operate a vessel while under the influence of alcohol. There is however, no statutory provision which sets forth any criteria establishing guidelines for levels of intoxication or penalties for this offense. This bill will provide the same guidelines for enforcement as presently exist for operating a motor vehicle under the influence of alcohol.

Your Committee received favorable testimony from the Department of Health and the Department of Transportation.

Your Committee has amended this bill by removing the section pertaining to an appropriation, as it is perceived that the department will be able to implement this measure with current operating resources.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1921, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 284 Transportation on H.B. No. 1842 (Majority)

The purpose of this measure is to provide executive departments, generally, and the Department of Transportation, in particular, increased flexibility in the disposition of excess moneys in special funds pursuant to Section 37-53 of the Hawaii Revised Statutes.

This bill will allow executive departments to transfer moneys in their special funds determined to be in excess of 150% of their fiscal year requirements to another special fund.

Your Committee received favorable testimony from the Department of Transportation and the Department of Budget and Finance.

Your Committee finds that special provisions have been incorporated into this measure to assure that any transfers affected thereunder would not jeopardize either the integrity or solvency of the funds or contractual obligations to bondholders and others. Your Committee also finds that such transfers are discretionary and may not be made except with the approval of the Governor.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1842 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 285 Transportation on H.B. No. 120

The purpose of this bill is to reduce the amount traffic on Hawaii's roads. It provides economic incentives to employers and employees to participate in ridesharing arrangements by exempting from employee's gross income the value of benefits provided by the employer for participating in certain ridesharing arrangements, and by providing a partial exemption for employers of the cost of providing these benefits.

The traffic congestion which is increasingly clogging the streets of Hawaii is very costly to the people of Hawaii in several ways. The consumption of gasoline exacerbates the amount of money flowing out to the State to pay for one of the State's most costly imports, gasoline. The vehicle's on the road represent one of Hawaii's greatest sources of environmental pollution. There is the time lost due to the slow pace of traffic, the frustration experienced by commuters, and the scarring of Hawaii's landscape by more roads and highways to carry the traffic.

The counties and the State, with assistance from the Federal government, collectively spend hundreds of millions of dollars of tax revenues to accommodate larger numbers of vehicles and to provide transportation alternatives to the automobile. The purpose of this bill is to spend a small amount of tax revenues to provide incentives to employers and employees to participate in ridesharing arrangements, which offer relatively inexpensive and immediate measures to alleviate traffic volume on our streets.

Testimony in support of this bill was received from the Lieutenant Governor, the Department of Transportation, and private ridesharing services.

Your Committee has amended this bill to clarify that the exemption applies to commuting between home and work, to broaden the exemption to cover those who walk, jog, bike, or ferry to work.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 120, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 286 Transportation on H.B. No. 1828 (Majority)

The purpose of this bill is to increase the fines imposed on vehicles weighing more than their prescribed maximum weight and hold the employer of the operator of the vehicle responsible for overweight violations.

Your Committee received testimony in favor of this bill from the State Department of Transportation.

Your Committee finds that many present motor carrier companies are continuing to travel on highways with the knowledge that they are overweight.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 1828 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 287 Transportation on H.B. No. 1838

The purpose of this bill is to amend Section 279G-2, Hawaii Revised Statutes, to exempt the State and schools from liability for injuries to passengers and other persons resulting from the promotion of ridesharing arrangements by the State and schools.

Your Committee received favorable testimony on this bill from the Department of Transportation, the Department of Education, Save Money and Ride Together (SMART), and Mililani Paratransit Services. The Department of Transportation recommended that several other groups also be exempted from liability, in addition to the State, schools, and employers.

Your Committee finds that ridesharing strategies afford the State with viable solutions to traffic congestion problems.

This bill has been amended by your Committee to exempt the counties, rideshare coordinators, and community organizations that promote ridesharing from liability.

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

Signed by all members of the Committee.

SCRep. 299 Transportation on H.B. No. 127

The purpose of this bill is to allow the Department of Transportation to explore low-cost transportation alternatives by emphasizing transportation systems management (TSM) programs. This bill also makes an appropriation for the creation of a permanent position for a transportation systems management programs coordinator and the creation of a permanent support staff position, along with funding for the operation of TSM programs.

Your Committee received favorable testimony on this bill from Lieutenant Governor Cayetano, the Department of Transportation, and Mililani Paratransit Services.

The Department of Transportation recommended that portions of the bill which pertain to the creation of permanent staff positions be deleted since they duplicate requests in the Executive Budget.

Your Committee finds that transportation systems management techniques offer low cost solutions to traffic problems and have the potential to alleviate traffic congestion.

Your Committee has amended this bill by adding an intent and purpose section which outlines the intent of this transportation systems management initiative for the Department of Transportation. This bill has been further amended by deleting Sections 2, 3, and 4 because they duplicate requests in the Executive Budget.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 127, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 300 Transportation on H.B. No. 46

The purpose of this bill is to appropriate general revenue funds to the Highway Special Fund to improve the highway infrastructure system of the State.

The State's Highway Special Fund is supported by user-oriented revenues to build and maintain our highway system throughout the State. However, your committee finds that there is a lack of adequate revenues in the Highway Special Fund that has resulted in the delay of many critical capital improvement projects.

Your Committee on Transportation received testimony in support of the bill from the Director of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 46 and recommends that it pass Second reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301 Transportation on H.B. No. 735

The purpose of this bill is to provide that whenever a driver's license or permit is cancelled, revoked, or suspended by the examiner of drivers, a notice of the right to a hearing be sent to the licensee or permittee affected. This notice must be sent by certified mail and deemed received after three days.

This bill will provide appeal procedures to the licensee or permittee if the examiner of drivers has cancelled, suspended, or revoked their license or permit.

Your Committee received favorable testimony from the Director of Transportation and the Director of Finance of the City and County of Honolulu.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 735 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 302 Consumer Protection and Commerce on H.B. No. 450

The purpose of this bill is to fund the publication of an educational brochure about leasehold arrangements in Hawaii for real estate professionals engaged in leasehold transactions. The brochure would be developed jointly by representatives of both lessor and lessee interests.

H.B. No. 450 provides that the appropriation be expended by the department of commerce and consumer affairs ("DCCA"). The bill does not specify the amount of the appropriation.

This bill would implement one of the five recommendations made by participants in a mediated forum on leasehold issues, conducted in response to Senate Concurrent Resolution No. 97 which was adopted by the 1988 legislature. Participants in the forum were multi-family lessees and landowners.

Your Committee heard testimony in support of the bill from lessee and lessor groups, including several members of the leasehold forum. The Government Affairs Committee of the Hawaii Association of Realtors testified that such a brochure would be advantageous to the many real estate buyers who do not fully understand leasehold arrangements, and it could also be a resource for real estate agents.

The DCCA testified before your Committee as to its concern and reservation with this bill. The DCCA reported that both it and the Real Estate Commission have constantly relied on the Housing Finance and Development Corporation (HFDC) as their major resource and referral agency on leasehold interest matters as the HFDC has the technical knowledge in this area. The DCCA testified that it does not have the technical knowledge to meet the intent and purpose of the bill, and recommended that if the HFDC concurs, appropriations to develop the brochure be provided to the HFDC.

The HFDC was not in agreement, however. It opined that aspects of leasehold arrangements in Hawaii should be disclosed by real estate agents. Because the bill concerns development of an educational brochure for "real estate professionals", the HFDC believes that brochure development should be handled by the DCCA, as the bill provides.

Your Committee was concerned with the purpose of educating a relatively narrow group, specifically, real estate professionals engaged in leasehold transactions, at State expense. Several members of the leasehold forum advised your Committee that the forum had deemed education to be necessary, although means to accomplish this objective aside from a State funded brochure had not been explored.

At the request of your Committee, a group of testifiers comprised of some of the forum members, representatives of DCCA and HFDC, met to discuss a consensus approach to the concerns raised about H.B. No. 450. The testifiers have submitted to your Committee a new proposal. It directs the HFDC to contract for one or more persons skilled in informational brochure preparation to meet with leasehold forum members. The members would work with the contractor to put together an informational brochure to explain the major characteristics of leasehold ownership. The brochure would be distributed to persons engaged in or interested in leasehold ownership, and to real estate salespeople. The HFDC would monitor activities of the contractor and forum. These objectives would be funded by a \$50,000 appropriation.

Your Committee believes that there is a need for such an educational brochure, and it adopts the recommendations submitted by the group of testifiers. H.B. No. 450 has been amended and rewritten accordingly.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 450, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 450, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 303 Consumer Protection and Commerce on H.B. No. 1661

The purpose of this bill is to allow the Public Utilities Commission (the "Commission") the discretion to decide whether to participate in an appeal of an order of the Commission to the Supreme Court.

Currently, Section 269-16 of the Hawaii Revised Statutes requires the Commission to be a party to all matters from which an order of the Commission is appealed.

Testimony on this bill was presented by the Chairman of the Commission. He explained that the proper parties to argue an appeal of a Commission decision and order before the Supreme Court, are the parties who appeared before the Commission. The Commission is a quasi-judicial body which renders written decisions and orders, and it is not a party to a contested case.

In certain cases before the Commission, the Consumer Advocate and a utility may take the same position. If the Commission's ruling is appealed in such a case, the Supreme Court may, and has in the past asked the Consumer

Advocate to appear and provide the reasons why joining the utility's position is in the consumers' interest. It may also request the Commission to file an amicus brief.

Your Committee also heard testimony on this bill from the Consumer Advocate, who noted that prior to the current requirement of Commission participation in appeals, some appeals of Commission orders were taken without opposition. This occurred either because the Consumer Advocate was not a party to the underlying action, or because the Division of Consumer Advocacy did not agree with the appellant's argument and therefore did not respond to the appeal. This void at the appellate level could sometimes best be filled by the Commission representing its own position before the appellate court.

Your Committee is in agreement with the suggestion of the Consumer Advocate that Commission participation in appeals be made discretionary in certain instances, and mandatory where there is an appeal from a decision and order in an uncontested case or where there is no adverse party to the appeal.

To implement this suggestion, section 1 of the bill is amended by adding the following language after the word "appeal" and before the period in line 13:

; provided that, where there has not been at least one adverse party in the case below or in cases where there is no adverse party to the appeal, the commission shall be a party to all matters in which an order of the commission is appealed and shall file the appropriate responsive briefs or pleadings defending all such orders.

Your Committee has also corrected a typographical error on page 1, line 12 of the bill, by replacing the word "responsible" with the word "responsive".

Your Committee has further amended this bill by adding several new sections which incorporate the substantive text of H.B. No. 1666. H.B. No. 1666 seeks funds for a study of the effects on residential and business consumers of pricing telephone calls based on usage ("local measured service"). The two bills have been combined because the title of H.B. No. 1661, which relates to public utilities, better describes the subject matter of H.B. No. 1666 than does the title to H.B. No. 1666 itself. The latter relates "to making an appropriation for a study of deregulation of certain telecommunications activities to promote the growth of the telecommunications industry in the State".

Your Committee heard testimony in favor of H.B. No. 1666 from the Chairman of the Public Utilities Commission, who noted that such a study would be helpful, though not binding, in determining the Commission's course of action in the event an application is submitted to it for local measured service.

Your Committee also heard testimony in support of H.B. No. 1666 from the Division of Consumer Advocacy (the "Division"), and others. H.B. No. 1666 provides that funds appropriated for the study be expended by the Division. The Division testified that with appropriate funding, it would be able to conduct an evaluation of the telephone company's proposed implementation of local measured service from the ratepayers' point of view.

Your Committee notes that House Concurrent Resolution No. 241 adopted by the 1988 legislature urged caution and a studied approach toward local measured service. The resolution states that before local measured service is permitted, the benefits, effects and structure of, and alternatives to, such a pricing mechanism should be carefully studied.

Your Committee believes that a study of local measured service which includes the areas of consumer concern specified in H.B. No. 1666 would provide a useful counter-balance to the viewpoint of the telephone company. As previously noted, your Committee has incorporated the substantive text of H.B. No. 1666 into H.B. No. 1661. Sections of the latter bill have been renumbered appropriately.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 1661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Peters.

SCRep. 304 Economic Development and Hawaiian Affairs on H.B. No. 9

The purpose of this bill, as received by your Committee, is to establish a Hawaii Economic Development Corporation, a quasi-public organization with its own board of directors, staff, and a wide range of powers, including the ability to invest in businesses, and to create a venture capital revolving fund to finance the activities of the Corporation.

This bill represented only a part of an integrated economic development organization, other parts of which were contained in H.B. Nos. 8, 10, 11 and 13. Favorable testimony was received from the Chamber of Commerce, the Department of Economic Development, the Economic Development Corporation of Honolulu, the High Technology Development Corporation, and other business groups on various combinations of all these bills. Other bills are also being heard this session proposing an array of grant and loan programs for economic development purposes, such as H.B. No. 1247 to assist software developers and H.B. No. 1874 to assist high technology research and development.

Your Committee has amended this bill to combine the elements of all these bills in one coherent organization, the Hawaii Strategic Fund. This is another quasi-public corporation, with a board of directors composed of the Directors of Budget and Finance and Business and Economic Development and seven others. A majority of the board shall be private citizens. The Fund will be run by a president and a staff. The Fund will have five program areas, each of which shall have its own account to finance activities. The program areas are: research and development; seed capital; venture capital; product development; and capital access. The board shall develop programs in each of these areas to support economic development and diversification in Hawaii.

This organization is modelled on the Michigan Strategic Fund, which in turn was modelled after economic development initiatives in Massachusetts, California, and Pennsylvania, among other states. Incorporating what was learned in these earlier programs, the Michigan Fund is a "second generation" economic development program, and has been called the most sophisticated state program in the United States. The principle underlying the program is government working in partnership with private enterprise to improve the environment for economic development.

Typical government economic development programs in the past have invested public funds directly to support or encourage businesses, either directly through low-interest loans or indirectly through preferential tax treatment. This results in government agencies becoming bankers of last resort, investing public funds in businesses which could not qualify for loans from regular financial institutions. Since public funds are limited, the impact of such programs is usually also limited, and since government agencies are investing in companies spurned by professional investors, it is not surprising that such loans often become grants over time.

The Hawaii Strategic Fund represents a new approach, in which government investment goes wholesale rather than retail. In other words, rather than investing public funds directly in businesses, the corporation uses public funds as incentives to attract private investment organizations into the State, thereby increasing the amount of capital available for business start-ups and development. All direct investment decisions are made by the managers of the private funds. Thus, the Fund uses the relatively small amount of public money available as bait to attract the much larger amounts of investment capital available in the private sector, while tapping the expertise of the private sector in making the investments. The impact of the public money committed to the project is thereby increased many times over. Rather than ignoring the market, or working against it, government gets the market to work for public policy goals.

An explanation of Michigan's capital access program can serve to illustrate how the Fund's programs work. The capital access program is designed to encourage and assist banks to make investments in businesses which are considered too risky by the banks to qualify for conventional loans. Each participating bank is assigned a loan loss reserve account in the capital access program to cover losses on a portfolio of marginal loans. When a bank makes a loan under the program, the borrower pays a one-time premium charge into the account which is matched by a bank premium payment. The capital access program then matches the combined total of the borrower's and bank's payment. Loans under this program remain private transactions between banks and borrowers. The banks determine which loans to grant, which loans will go into their risk portfolio, and set the interest rates, fees, duration, and other terms and conditions of the loans. The banks also determine in each case the total amount of insurance they require for each loan, which determines the premium charged to the borrower for the loan. A bank can withdraw funds from its account only to cover losses on loans made under the program. By partially subsidizing an insurance reserve, the capital access program encourages banks to make loans they would consider too risky under normal circumstances. Since the bank must pay part of the insurance premium, it freezes a certain amount of its money in the capital access account, discouraging the banks from using the program to provide extra protection for loans they would have made anyway. The bank must still be prudent, because the maximum amount of insurance is limited to fourteen percent of the loan, so if the borrower defaults the bank still bears the bulk of the loss. And while the loan may cost the borrower a little more than a conventional loan, it is a loan the borrower would not have gotten at all without the program. Since the maximum loan insurance amount is fourteen percent, the maximum contribution the capital access program must make is seven percent of the total cost of the loan. Thus the program is able to raise at least \$100 for every \$7 it commits, or \$14 for every \$1.

For the seed capital and venture capital programs, Michigan offers to invest money in private capital investment funds if the private fund will match Michigan's investment, and agree to invest the money in Michigan businesses. This not only attracts more capital to Michigan, but also attracts the very valuable skills of the venture capital investors themselves.

The original versions of H.B. Nos. 8, 9, 10, 11 and 13 contained detailed provisions drawn from the actual programs created by the Michigan Strategic Fund. Your Committee has amended this bill to follow the statutory structure of the Michigan Strategic Fund, which provides the Board broad powers to accomplish the goals of the Fund. While your Committee is impressed by the success of the Michigan programs, and intends that the Hawaii Strategic Fund Board should examine them closely, your Committee recognizes that Hawaii's economy is significantly different from Michigan's economy and that some of the Michigan programs may need to be altered to suit local conditions.

Your Committee has amended the appropriation by increasing it to \$10 million to incorporate the appropriations for each of the individual bills.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 9, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 9, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305 Economic Development and Hawaiian Affairs on H.B. No. 1144

The purpose of this bill, as received by your Committee, is to establish a Small Business Incubator Program in the Department of Business and Economic Development to assist new small businesses create quality jobs that expand and diversify Hawaii's economy.

Your Committee heard this bill along with H.B. No. 1143, which establishes a High Technology Incubator Program under the High Technology Development Corporation to assist new businesses engaged in high technology to achieve financial viability.

Your Committee finds that these two bills share a common intent and purpose of encouraging and promoting new small businesses, including those engaged in high technology efforts, by establishing incubator programs.

For the purposes of clarity, your Committee has integrated these two bills into one vehicle, H.B. No. 1144. This measure has been amended by providing a mechanism whereby the Department of Business and Economic Development may demonstrate preferences in the Small Business Incubator Program to include those new businesses engaged in high technology efforts. The bill has also been amended to allow for the compensation of staff for the administration of this Program from the Small Business Incubator Revolving Fund. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Testimony from the the Department of Business and Economic Development, the High Technology Development Corporation, the Mayor's Office of the City and County of Honolulu, the Chamber of Commerce of Hawaii, and the Hawaii Island Economic Development Board expressed support for the intent of both H.B. No. 1143 and H.B. No. 1144.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1144, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306 Economic Development and Hawaiian Affairs on H.B. No. 1331

The purpose of this bill is to establish a Governor's task force for Hawaiian services to develop a comprehensive master plan concerning coordinating the provision of services by public and private entities to native Hawaiians and Hawaiians.

Over the years, an increasing amount of federal, state and private resources have been directed towards the needs and concerns of native Hawaiians and Hawaiians. Your Committee is concerned that the provision of services is coordinated to ensure accessibility by users, that the duplication of services is avoided, and that the use of what are still limited resources be maximized. It is important that such resources be used in a focused and judicious manner.

Section 10-6, Hawaii Revised Statutes, presently requires that a master plan be developed by the office of Hawaiian affairs. To avoid confusion, your Committee has deleted reference to a master plan and instead directs the task force to make findings and recommendations concerning the coordination of services to native Hawaiians and Hawaiians.

The findings and recommendations are to be presented in a report to the 1991 Legislature. The report shall contain findings and recommendations that include the following: (1) an inventory of current services and programs be provided, (2) an assessment of the use and accessibility of current services and programs, (3) an analysis of the quality of coordination of existing services and programs. (4) an identification of critical needs and requirements that need to be addressed through future services and programs, and (5) recommendations on improving accessibility, the quality of coordination, and the provision of future services and programs for currently unmet needs. Your Committee finds that such findings and recommendations could provide the basis for improving the quality and the efficiency of delivery of existing services and serve as the basis for the future development of additional services.

Your Committee has further amended the bill so that the task force membership includes representatives from private Hawaiian institutions, agencies, and organizations as well as the general community. Testimony was received from Hawaiians that supported the inclusion of non-Hawaiians on the task force. The Governor is to appoint no less than fifteen members to his task force.

Your Committee has appropriated the amount of \$100,000, or so much thereof as may be necessary for fiscal years 1989-1991. Technical, non-substantive changes have also been made.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1331, H.D. 1, and be and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 307 Economic Development and Hawaiian Affairs on H.B. No. 1438

The purpose of this bill is to create renewed awareness of the benefits of electronic information services and to promote the development of public information services.

Your Committee finds that through the legislature's actions in 1988, the infrastructure for positioning Hawaii in the ages of information and the Pacific has been established. However, your Committee concurs that the legislature is needed for support and guidance of these information services.

Based on testimony presented by the department of budget and finance and the department of business and economic development, your Committee has amended this bill as follows:

1. Representatives from the State departments shall form an advisory council and, in conjunction with Hawaii INC, shall develop a statewide plan for public access to public information.
2. The sum appropriated for a high technology development corporation conference shall be for fiscal years 1989-1991 instead of the proposed fiscal year of 1989-1990.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 308 Economic Development and Hawaiian Affairs on H.B. No. 1490

The purpose of this bill, as received by your Committee, is to provide favorable income and excise tax treatment for certain categories of financial services to assist the development of Hawaii as a regional financial center.

The financial services industry has been targeted by the State as an industry whose growth is to be encouraged, as it provides quality, high-paying jobs while making little impact on the natural environment. By exempting from the excise tax and temporarily exempting from the income tax the incomes of financial service providers, this bill would encourage such providers to locate in Hawaii.

Testimony was received in support of this approach from representatives of the Department of Business and Economic Development and the law firm of Carlsmith, Wichman, Case, Mukai and Ichiki.

Your Committee has amended this bill in light of testimony to delete the proposed general excise tax credit. Further amendments were made to clarify that the exemptions apply only to income derived from transactions or trades in excess of \$1 million made on behalf of out-of-state institutional investors, thus targeting the credit more precisely at the types of services the State seeks to attract and protecting the existing local financial services industry from unfair competition.

Since there are no local providers of the services exempted by this bill as amended, and since the income tax exemption will be phased out in time, nothing will be lost by the State and much may be gained in the way of good jobs and increased economic diversity, as well as increased tax revenues.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1490, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hemmings.

SCRep. 309 Economic Development and Hawaiian Affairs on H.B. No. 236

The purpose of this bill, as received by your Committee, is to exempt from the State general excise tax all proceeds to an individual or corporation arising from high technology research and development.

Your Committee is in favor of encouraging the growth of high technology enterprises in the State, and notes that many significant initiatives to accomplish this goal are currently underway. It is also recognized that many other states offer various incentives to help attract high technology companies. Your Committee feels such incentives could be valuable parts of Hawaii's efforts to encourage high technology industries.

Favorable testimony was received from the Chamber of Commerce and the High Technology Development Corporation. The Department of Taxation recommended definitional revision.

Your Committee has amended this bill to delete the creation of a general excise tax exemption. In its place, a temporary advisory task force has been created to (1) examine what incentives Hawaii currently offers for high technology enterprises and what incentives other states offer; and (2) develop a strategy, including business incentives, for attracting and encouraging the location of high technology research and development activities in Hawaii. \$100,000 has been provided to fund the task force's work.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 236, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 310 Economic Development and Hawaiian Affairs on H.B. No. 12

The purpose of this bill, as received by your Committee, is to amend the sunset date of Act 295, Session Laws of Hawaii 1988, to extend the general excise tax exemption for a stock exchange to 1992.

The establishment of a stock exchange in Hawaii could be a valuable component in the State's effort to become a financial center of the Pacific Basin. In the 1988 Session the Legislature enacted a one-year exemption from the general excise tax in order to promote the establishment of a stock exchange here. While the possibility of an exchange being established in Hawaii looks promising, the tax exemption will expire before any exchange can be developed.

Testimony in favor of this bill was received from the Chamber of Commerce, the Department of Business and Economic Development, the City and County of Honolulu, the Economic Development Corporation of Honolulu, and the Department of Taxation.

Your Committee has amended this bill according to recommendations made by the Department of Taxation to clarify the specific activities of an exchange which are exempt, and to conform the appropriate statutory provisions to the terminology of the Securities and Exchange Commission.

Your Committee finds that an exemption from the general excise tax for the activities of the exchange is required to make possible the establishment of an exchange here, and intends that the exemption be permanent. The sunset date of 1992 is included to require a review of the exemption to correct any deficiencies.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 12, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 12, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 311 Economic Development and Hawaiian Affairs on H.B. No. 1905

The purpose of this bill is to provide legislation enabling the Department of Hawaiian Home Lands (DHHL) the authority to issue revenue bonds to finance its' growing capital improvements programs.

Your Committee finds that the present law, HHCA-1920, does authorize DHHL to undertake projects and activities to further the social and economic well-being of native Hawaiians. This bill provides explicit authority for DHHL to issue revenue bonds.

Your Committee finds from testimony presented by DHHL that this bill is necessary to provide a maximum amount of services for native Hawaiians. Your Committee agrees with the intent of the bill to provide DHHL the authority to issue revenue bonds to finance its capital improvements program.

Your Committee also finds that revenue bonds should be used to accelerate the homesteading program, but does not completely fulfill the States trust responsibilities to the beneficiaries. The State must continue to provide funds for infrastructure development or assist in the development of lands that can produce higher revenue streams to accelerate the homesteading program.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1905 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312 Economic Development and Hawaiian Affairs on H.B. No. 1879

The purpose of this bill is to amend section 209E of the Hawaii Revised Statutes to clarify terminology and eligibility criteria in order to ease implementation of the enterprise zones program.

Your Committee received testimony from the Department of Business and Economic Development, and the Department of Taxation, in support of the bill.

The Mayor's Office of the City and County of Honolulu expressed concerns over some of the provisions of the bill.

Your Committee shares some of those concerns, especially aspects of the bill that provides advantages to new businesses while discriminating against existing businesses.

Your Committee recommends passage of this bill only in the hopes that revisions can be made to correct these deficiencies.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 1879 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 313 Planning, Energy and Environmental Protection on H.B. No. 1850

The purpose of this bill is to provide an appropriation of State funds into the water pollution control revolving fund and to allow the Director of Health to make grants, loans or a combination of grants and loans to the counties.

In 1972, Congress enacted amendments to the Federal Water Pollution Control Act of 1956 that provided for a strong federal role in the construction of publicly owned wastewater treatment works. The 1972 amendments provided a federal grant share of seventy-five percent in an effort to quicken the pace of wastewater treatment facility construction and eliminate a backlog of needed facilities. However, Congress has long expected that states and municipalities would eventually assume full responsibility for financing new and replacement wastewater facilities.

The recently enacted Water Quality Act of 1987, sets forth a schedule and mechanism for completing the transition to full state and local responsibility. EPA's direct grant program ends in 1990, while the authority for EPA to make grants to the states to capitalize state water pollution control revolving funds (SRF) begins in 1989. Congress has authorized

funds for SRF capitalization grants from fiscal year 1989 through fiscal year 1994 amounting to about \$63 million to the State of Hawaii. To receive federal capitalization grants, the 1988 Legislature passed Act 365 which established a water pollution control revolving fund in accordance with the provisions and requirements of the Water Quality Act of 1987.

Your Committee finds that the total federal capitalization grants of \$63 million which the state expects to receive up to the year 1994 is not adequate to finance the needed wastewater treatment facilities and, thus, that the state should assist in providing funds and financing mechanisms such as grants, loans or a combination of grants and loans to aid political subdivisions in the construction of wastewater projects.

Your Committee feels that due to the shortage of funds, emphasis should be placed on new construction and expansion of existing plants rather than on upgrading sewage treatment plants to secondary levels of treatment. Section 1 page three of this bill has been amended to express this intent. The Committee feels that funds provided by this bill should be available for primary treatment facilities when appropriate.

Your Committee has further amended this bill by amending section 2, paragraph §342-34(a), HRS, to direct the director of health to consider community growth projections when prioritizing projects. Your Committee feels that it is appropriate to give higher priority to projects in areas with high expected levels of growth.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1850, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Apo, Fukunaga, Hagino, Hashimoto, Say, Hemmings and O'Kieffe.

SCRep. 314 Intergovernmental Relations and International Affairs on H.B. No. 73

The purpose of this bill is to expand the responsiveness and accountability of State government to the citizens of Hawaii by expanding the complaint-resolution system now in place. This bill would add responsibility for receiving, referring, and tracking the resolution of citizens' complaints to the State Office of Information, and change this agency's name to the Office of Information and Complaint to reflect this new responsibility.

The importance of complaints as a management tool has been stressed by a number of writers as a means of making organizations more responsive to their customers or clients. Large organizations naturally tend toward inflexibility and insulation from outside factors, including the concerns of their customers or clients. Even businesses, whose survival depends on satisfying their customers' desires, are often unaware of, or unresponsive to, their customers' dissatisfactions, illustrating how strong this tendency is. It also suggests that the danger of organizational inflexibility and unresponsiveness is greatest for government, which is larger and more complex than most businesses, and which, while dedicated to public service, has no direct feedback mechanism to measure the satisfaction of its clients.

Complaints are one of the most direct and powerful forms of communication between an organization and its clients. The prompt response to a complaint can do more to satisfy a client than years of unnoticed service, while unresponsiveness to a complaint can cancel out the good impression formed through years of unnoticed service. Complaints can also be categorized and examined to discover areas where an organization is consistently failing to satisfy its clients, perhaps due to inadequate performance or because the clients' desires are changing.

In 1967, recognizing the need for a complaint resolutions system for State government, the Legislature established the Office of the Ombudsman. The Ombudsman has broad powers to investigate complaints against actions, policies, or personnel of State government, including the power to subpoena witnesses and documents, bring suits in state court, and publish the results of its investigations. These powers, as well as the provisions that the Ombudsman can initiate investigations without having received a complaint, and that the Ombudsman can decline to act on a complaint, indicate the intention of the establishment of that Office: to investigate government malfeasance. But there is a need for handling complaints which arise not out of government misconduct but government ignorance or inadequate performance. Using the Office of the Ombudsman to resolve such complaints is not efficient.

At the same time, it appears that many people are unaware of the Ombudsman's existence or responsibilities. In fiscal year 1987-1988, the Office of the Ombudsman, with a staff of twelve people, received 5196 inquiries. Of that number, 288 were referred to county or federal agencies, 1412 were requests for information, and 2394 were complaints against the Department of Corrections, generally filed by prisoners. Only 1102 inquiries, or 21 percent of the total for that year, were complaints by "ordinary" citizens. By comparison, during roughly the same period the City and County of Honolulu's Office of Complaint, which serves a smaller client base and represents a smaller and less complex government organization, and has a staff of only five plus a few volunteers, received over 10,000 complaints.

While county government generally provides more direct services to citizens, and therefore is more likely to generate complaints, it seems likely that the tenfold difference in complaints handled was due more to the higher visibility of the City and County's Office of Complaint than any other factor. It also seems likely that if the Ombudsman's number of complaints were significantly increased, they would swamp the Office and hinder the conduct of the investigations the Office is charged with.

It is your Committee's intent that the new State Office of Information and Complaint should serve as a central point for citizens to direct complaints about State government programs, policies, and operations. The Office should note each complaint, and refer it to the appropriate person to handle the complaint, as best the Office can determine. The Office should establish a system to track the status of each complaint it receives in order to ensure that complaints are handled in a timely manner. The Ombudsman and the City and County's Office of Complaint both have such systems, which the Office may refer to in establishing its own system. Where appropriate or necessary, the Office should investigate and

resolve complaints directly. The Office should also categorize the complaints it receives and provide this information to the appropriate government agencies to assist them in evaluating their responsiveness to citizens' concerns.

Your Committee has resisted the temptation to differentiate between the complaints which the new State Office should handle and those which the Ombudsman should handle. Your Committee would rather rely on the good sense of the directors of both offices to work together in order to ensure that their offices complement each other, not overlap. As the figures from the Ombudsman's annual report cited above indicate, there is already some overlap in the functioning of the Ombudsman's Office and the current State Office of Information: twenty-seven percent of the inquiries to the Ombudsman last year were requests for information. This overlap does not seem to have caused any problems, and your Committee is confident that the new joint responsibilities of these offices will also be handled without difficulty.

Your Committee has amended the bill by deleting references to operational procedures for the new Office. Your Committee recognizes that the information and complaint practices of the Office can best be set by the director, and need to be flexible to take account of coming changes, both technological and administrative, in citizens' access to government information and operations, such as satellite state offices and fair access provisions. It is not your Committee's intent that there should necessarily be a complaint specialist in every satellite state office, as there are now technological means available to provide both spoken and written communications instantly throughout the state.

Your Committee has also deleted reference to the establishment of a state-wide toll-free telephone number, as it appears that an appropriation request for such a service has already been made by the Administration. It is your Committee's intent that such a service should be provided. Your Committee has also increased the appropriation to \$150,000, and authorized three new positions for the Office in order to handle the new complaint referral and resolution responsibilities.

Your Committee has chosen to provide the Office with no special investigative powers, since the Office of the Ombudsman already has such powers. However, part of the success of the new Office in ensuring government responsiveness to citizens' complaints will require some stature. Your Committee has chosen to provide this through the relationship of the director of the Office with the Governor. Accordingly, your Committee has amended the bill to provide the Office with a director, who shall be appointed by the Governor.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 73, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 315 Intergovernmental Relations and International Affairs on H.B. No. 1435

The purpose of this bill is to appropriate funds for a study of methods to limit unreasonable increases in real property taxes resulting from rising tax assessments.

Your Committee finds that there is growing concern among residents of many neighborhoods over increases in their real property tax assessments. A number of articles and letters have appeared in Hawaii's newspapers on this topic. Testimony reflected these concerns and raised questions as to whether outside factors, such as foreign investment, are responsible for the escalation in real property tax assessments.

The proposed study will investigate whether there is a correlation between rising real property values and foreign investment. In addition, the study will examine ways to control real property tax rate increases.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1435 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 316 Intergovernment Relations and International Affairs on H.B. No. 1301

The purpose of this bill is to appropriate funds out of the general revenues in the amount of \$ for fiscal year 1989-1990, for improving the fire protection facilities in areas where such facilities are substandard.

Your Committee received favorable testimony from the Board of Water Supply and the Department of Water Supply, County of Maui. Many of our schools have inadequate fire protection, and the improvements to our system will provide greater protection for the students and the teachers of the schools.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1301, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 317 Intergovernmental Relations and International Affairs on H.B. No. 70

The purpose of this bill is to establish a State Office of International Affairs in the Office of the Governor to develop, direct, and coordinate the international activities of the State.

The expansion of Hawaii's involvement in international activities was declared as a goal of the Governor in his first State of the State address and has been a goal of the Legislature ever since. As Hawaii is a small state, significant international accomplishments will require focussed efforts. A State Office of International Affairs will provide the leadership and expertise necessary to maximize the results of efforts currently being made and to help in the development of new initiatives.

Testimony in support of this bill was received from representatives of the Governor's Congress on Hawaii's International Role, the Department of Business and Economic Development, the Office of State Planning, and the University of Hawaii.

As received by your Committee, the bill provided a large number of specific responsibilities and functions for the Office and its director and advisory board. Your Committee is concerned that these extensive provisions may deny the Office the necessary flexibility to respond to the complex goals set for it. Therefore, your Committee has amended the bill by streamlining the duties and functions of the Office and its director and broadening the language to provide the Office with the needed flexibility to achieve its goals. It is the intent of your Committee that this Office be small in number and that it focus its attention on the promotion of ideas and the coordination of state efforts. In establishing a master plan for state activity, the Office should cooperate with the Office of State Planning, and in turn the Office of State Planning should consider adding appropriate international goals or provisions to the Hawaii State Plan.

Your Committee has likewise streamlined and broadened the duties of the advisory board. The composition of the board has been changed to reflect the recommendation of Proposition D-3 of the Preliminary Report of the Governor's Congress on Hawaii's International Role, to include representatives of the public, private, and non-profit sectors, academia, and the Native Hawaiian community. While it is your Committee's intent that the viewpoints of the federal government should be taken into account by the board, your Committee is not inclined to mandate federal representation on a state board. The size of the board has been reduced to eleven members, and the board has been made temporary, for two years. The board shall present an interim report to the 1990 Legislature and a final report to the 1991 Legislature on the state of Hawaii's international efforts. At that time a decision can be made by the Legislature as to whether the board should be continued.

Your Committee has also amended this bill in order to integrate the protocol services agency proposed in H.B. No. 71 into the Office of International Affairs. Again, in order to provide flexibility to the Office, specific protocol services have not been delineated. It is your Committee's intent that the protocol services provided by the Office should focus on: (1) briefings and debriefings of state officials travelling abroad; (2) assisting with the arrangement of appropriate activities for foreign officials visiting Hawaii; and (3) keeping State government leaders informed about the presence of foreign officials in Hawaii.

In accordance with the added protocol responsibilities of the Office of International Affairs, your Committee has amended the appropriation for the Office by increasing it to \$500,000 to accommodate the added responsibilities and expenses envisioned.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 70, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 318 Intergovernmental Relations and International Affairs on H.B. No. 1094

The purpose of this bill is to appropriate monies in the amount of \$30,000,000, for the construction of a new City and County of Honolulu corporation yard and a park on Sand Island, and related costs such as the demolition of Kapalama incinerator.

Currently, the City and County's corporation yard is located near Kewalo Basin on Ala Moana Boulevard. This area is a key parcel in the State's plans for redevelopment of the Honolulu waterfront. In 1987 an agreement was reached between the State and the City and County to exchange land on Sand Island for the Kewalo Basin site and a parcel in Kapalama next to Honolulu Community College. The agreement specified that the State would turn over land on Sand Island for the building of a new corporation yard and a park by the City and County. In exchange, the City and County would demolish its structures, and thereafter turn over the cleared sites at Kewalo Basin and Kapalama to the State.

The City and County testified that at the time of the agreement, the projected total cost of the construction of the new yard and the other related work was \$25 to \$30 million. However, provisions in the recently released Honolulu Waterfront Master Plan which affect the Sand Island site have doubled the projected cost of their plans. The City and County contends that it cannot now afford to build the new construction yard, and therefore cannot vacate the Kewalo Basin site.

Your Committee finds that the current location of the corporate yard is in conflict with the Honolulu Waterfront Master Plan prepared by the Office of State Planning, and that the proposed appropriation is critically needed to allow the State to pursue its ambitious Waterfront Development Plan.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1094, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 319 Intergovernmental Relations and International Affairs on H.B. No. 1299

The purpose of this bill is to appropriate \$250,000 for fiscal year 1989-1990 and \$250,000 for fiscal year 1990-1991 to support the Hawaii International Film Festival.

The Hawaii International Film Festival is world renowned and critically acclaimed as the world's foremost festival for Asian and Pacific filmmakers.

Your Committee finds that the Festival is a valuable asset to our State, as it brings quality films to the people of Hawaii, promotes our State through the international publicity it receives, promotes our local filmmakers and film industry by bringing film industry people from all over the world to Hawaii, and fosters inter-cultural understanding. However, the Festival's tremendous success and growing fame is taxing its resources, all of which come from federal funds and local private support. The provision of state assistance to this demonstrably successful and valuable event would help ensure the continued existence and excellence of the Festival.

Your Committee received extensive testimony in overwhelming support of this measure.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1299 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members on the Committee.

SCRep. 320 Housing on H.B. No. 884

The purpose of this bill is to appropriate funds which will enable holders of Milolii state leases to obtain loans from the state.

Your Committee received testimony in support of this program noting that while nearby housing will cost the state more than \$100,000 a home, the Milolii program allows families to build their own homes for less than \$20,000 each.

The bill has been amended to increase the appropriation amount to \$700,000 to meet the concerns raised by the Department of Land and Natural Resources and others that the needs of all lessees be met. In addition, your Committee has added a second appropriations section to finance a study of future infrastructure needs, including public rights-of-way and roads. The amount specified for the study is \$25,000.

Your Committee has further amended the bill to designate that loans be used for alternative wastewater systems and building materials for home construction, in addition to the uses designated in the bill.

Other technical, nonsubstantive revisions have been made for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321 Housing on H.B. No. 1039

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (HHA) to improve, repair, and maintain housing projects located in the counties of Hawaii, Kauai, Maui, and the City and County of Honolulu managed or administered by the HHA.

Your Committee finds that decreasing federal support for public housing necessitates the State increasing its financial commitment to public housing projects. Because of insufficient funding for maintenance, these projects are currently in a state of disrepair and if this trend continues, will cost the State more in dollars and social problems than would continual improvement, repair, and maintenance of these projects.

Your Committee finds that a commitment to public housing must be made to ensure that the HHA can carry out its mandate to provide safe living conditions for the residents of the units it manages. An added benefit of such a commitment will be an increase in the pride and self-esteem of those residing in these units.

Your Committee finds that the most effective way to make this commitment would be to consolidate all appropriations to improve, repair, maintain, and beautify HHA's housing projects in one bill. Accordingly, the appropriations amount has been changed from \$4,036,000 to \$8,860,350 to cover all requested HHA beautification projects.

Technical, nonsubstantive amendments have also been made to the bill for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1039, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 322 Housing on H.B. No. 1292

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (HHA) to plan, design, construct, purchase, or acquire teacher housing on the Island of Lanai and in Hawaii County in Kau, Waimea, and Kohala.

Your Committee finds that teacher housing units located in these areas are in need of major rehabilitation and in most cases the cost of building new housing would be less than rehabilitating existing structures. Testimony submitted by HHA indicated that although the Legislature in 1988 appropriated moneys to construct teacher housing on Lanai and in Waimea and Kohala on the Big Island, because the low bids on these units exceeded the amounts appropriated, additional funds are needed. HHA also indicated that new funds are now needed to rehabilitate teacher housing in Kau.

Your Committee finds that replacement or rehabilitation of teacher housing is indeed necessary and has amended the bill to increase the appropriated amount from \$950,000 to \$970,000 to cover the cost of additional planning, design, and construction brought forth in HHA testimony.

It is the intent of your Committee that the Authority use a portion of these funds to purchase units already constructed on the Island of Lanai.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 323 Housing on H.B. No. 1010

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (Authority) to establish a year-long security traffic control system test project at Mayor Wright Homes and Kalihi Valley Homes.

Your Committee finds that such a system will improve the safety, well-being, security, and overall living conditions of tenants of these housing projects. In fact, present conditions which allow for easy accessibility to nonresidents raise serious concerns about drugs, drinking, abandoned cars, and other safety issues. It should be noted that federal projects, such as the one at Red Hill, which have established traffic control systems, have experienced significant public safety improvements. In this regard, it is hoped that this test project will serve as a model for other state housing projects.

Your Committee notes that Mayor Wright Homes was chosen because this project was identified one of great need, which has considerably improved its property protection and public safety record in recent years. While the details of the test project must be developed by the Authority, the proposal is a significant step towards improving the conditions of public housing in the State.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1010 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 324 Housing on H.B. No. 1281

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (HHA) and the Housing Finance and Development Corporation (HFDC) to retrofit public housing projects to ensure that a greater percentage of units are available to the disabled.

Your Committee finds that while only one percent of existing HFDC and HHA units are accessible to the disabled, eighteen to twenty percent of those in the lower-income segment of the population, which comprises the majority of public housing tenants, are disabled, and there are reports of people with disabilities waiting up to four years for an accessible unit.

It is the intent of your Committee that twenty percent of the units in state-administered housing projects be accessible to the disabled. Retrofitting the existing housing stock is a step in this direction. Your Committee recommends beginning this process by appropriating funds to HHA to retrofit twenty percent of its units and to HFDC to retrofit ten percent of its units.

Your Committee has amended the bill as follows:

- (1) Changed the percentage of units to be retrofitted by the Housing Finance and Development Corporation from twenty percent to ten percent;
- (2) Inserted a definition of disabled;
- (3) Appropriated \$100,000 to the Housing Finance and Development Corporation, and \$200,000 to the Hawaii Housing Authority; and
- (4) Made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 325 Housing on H.B. No. 1038

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority to develop on each island a system for gathering information on the homeless population for planning and monitoring purposes.

The plight of the homeless has received much attention as their numbers continue to increase. It is commonly accepted that homelessness is a significant national as well as state problem, but specific information needed to address the concerns of this special population is still limited. While the State enacts its Comprehensive Homeless Assistance Plan to assist the homeless, information critical for planning and monitoring purposes needs to be gathered. The \$75,000 being appropriated would be used to determine methods for the development and collection of accurate data on the homeless population in Hawaii.

While many charitable organizations are currently assisting the homeless, state resources are needed for the gathering of appropriate and reliable information to assist in the delivery of necessary services.

All the testimony received, including that from the Affordable Housing Alliance and the Hawaii Housing Authority suggests that such information is imperative to the development, implementation, and evaluation of affirmative policies and programs to assist the homeless.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1038 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 326 Housing on H.B. No. 1227

The purpose of this bill is to appropriate funds to the Hawaii Housing Authority (Authority) for the development of a security program for public housing projects utilizing the services of project residents in exchange for rent waivers or rent subsidies.

Your Committee received testimony from residents of Kalihi Valley Homes recounting problems of theft, noise, vandalism, drinking, gambling and drugs. Presently the battle against crime in this particular housing project is being led by Sister Rose Damien Malabon, who calls for police assistance as needed. While this woman's work is generous and praiseworthy, it is the State's role to provide for the safety of project residents.

Your Committee notes the testimony submitted by the Honolulu Police Department which observed that the establishment of a private security program at the Kuhio Park Terrace has significantly aided in the reduction of crime. In fact, the Honolulu Fire Department reported a 75 percent reduction in the number of calls after a private security system was established at Kuhio Park Terrace. On the other hand, tenants of Kalihi Valley Homes testified that since 1977, when paid security was ended due to a lack of funds, this project witnessed an increase in crime.

Your Committee finds the living and social conditions in some of the Authority's projects do not meet basic community standards, and recommends that immediate action be taken to remedy existing security problems and to stem the growth of additional problems. By establishing a security program, the State will fulfill its responsibility for safe, decent and affordable housing to project residents.

Your Committee has amended the bill to eliminate references to residents providing security services in exchange for rent waivers and subsidies insofar as federal law prohibits this practice. Instead, an appropriation of \$1,741,340 has been inserted to provide the Authority the funding necessary to develop and implement appropriate public housing security programs with guard services and regular inspection patrols on weekends and evenings after normal business hours. In addition, the Authority has been mandated to give Kalihi Valley Homes priority consideration in the development of a security program, and your Committee has specified that Kalihi Valley Homes will be the first site where the security program will be implemented.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1227, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 327 Housing on H.B. No. 1876

The purpose of this bill is to provide the Housing Finance and Development Corporation with the authorization to carry out federal programs which are designated for implementation by state housing development or housing finance agencies. This bill requires the Corporation to adopt any rules which may be necessary to carry out such federal programs. The bill also allows the Corporation, for services rendered, to charge necessary administrative fees and to deposit those fees into an appropriate special fund administered by the Corporation.

The Corporation testified that this bill would indeed facilitate the implementation of federal programs. In the past, the state has missed opportunities to take advantage of new federal programs, and this would enable the State to take full advantage of any new federal housing program in a timely manner.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1876 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328 Housing on H.B. No. 1102

The purpose of this bill is to appropriate \$75,000 to the Hawaii Housing Authority (Authority), which shall work in close consultation with the Department of Education and the Department of Human Services, for the hiring of three youth activities coordinators to plan and establish three individual after-school educational demonstration projects for youths residing in state public housing facilities. The bill would require the coordinators to work with the appropriate school principals to develop programs to positively affect the attitudes and behavior of these young adults. The bill would further require the coordinators to submit a report of the progress achieved through the programs to the Legislature twenty days prior to the convening of the 1990 regular session.

Your Committee finds that the living conditions in some of the Hawaii Housing Authority projects are less than ideal. Drugs, vandalism, and other crimes are reported on a regular basis. Together with increased security, as recommended in other bills considered by this Committee, this measure represents another step toward the goal of safe housing projects which enable children and young adult residents to grow and mature in a positive environment conducive to development.

It is the intent of your Committee that after-school demonstration projects be established at Kalihi Valley Homes, and two other projects. In addition, this program will provide activities for children and young adults between the ages of five and seventeen years living in the Authority's housing projects. Program participants will be grouped according to age for the purposes of the program. Furthermore, the program should offer different, stimulating, and challenging activities appropriate for the different age groups.

Your Committee has amended the bill to: (1) include both federally and state-managed or -administered projects; (2) specify that the counselors are not subject to civil service laws; and (3) ensure that the services provided are directed to males and females.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1102, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang and Liu.

SCRep. 329 Housing on H.B. No. 964

The purpose of this bill is to increase the availability of rental housing by appropriating funds for the rental assistance revolving fund.

The rent subsidies provided through the Rental Assistance Revolving Fund serve as an incentive to the development of affordable rental projects by providing subsidies to rental project owners. These subsidies, in turn, serve to lower the out-of-pocket rents paid by qualified lower income tenants.

Your Committee finds that there is a critical shortage of rental units in the State. Testimony indicated that the vacancy rate for rental units is at the lowest point in fourteen years. Your Committee further finds that rents are escalating much faster than inflation. This bill would allow for more projects to be developed, thereby alleviating the rental crisis.

The Housing Finance and Development Corporation testified that existing funds in the Rental Assistance Revolving Fund are insufficient to meet the projected statewide production of public and private rental housing projects over the next few years.

Upon further consideration of this measure, and in light of the serious shortage of affordable rental housing units, your Committee has amended the bill by increasing the appropriation to \$45,000,000.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 964, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 330 Housing on H.B. No. 1862

The purpose of this bill is to transfer the Housing Finance and Development Corporation to the Department of Budget and Finance for administrative purposes and to add the Director of Finance to the Board of Directors of the Housing Finance and Development Corporation as an ex officio voting member.

Your Committee finds that the expansion of the stock of affordable housing in Hawaii demands high priority and immediate attention. The Corporation was established to perform the housing finance, housing development, and residential leasehold functions of the State.

The Corporation relies upon the Director of Finance for efficient and effective operations since the Director of Finance is responsible for approving the issuance of bonds, the expenditure of proceeds of bond issues, and the expenditure of advances from the State general fund for projects which it may undertake. The intent of this bill is to increase the involvement of the Director of Finance in the activities of the Corporation, thereby expediting the processing of administrative approvals of the Corporation's projects and programs.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1862 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 331 Housing on H.B. No. 775

The purpose of this bill is to provide funds for the timely development of infrastructure and subsequent affordable housing at Kealahou on the Big Island.

The Housing Finance and Development Corporation (Corporation) submitted testimony indicating that enormous infrastructure costs will make homes developed at Kealahou unaffordable to the large number of families in need of this safe, decent and reasonably priced homes. Your Committee finds that while the Corporation is operating under the assumption that a large subsidy would have to be earned through the sale of land and subsequent development of a resort in the area, an appropriation would eliminate the assumption and allow individual housing projects to proceed to more expeditiously meet the ever-growing residential housing demand on the Island of Hawaii.

Your Committee therefore proposes to assist in the development of affordable homes through an appropriation of \$70,000,000 to meet infrastructure costs. While your Committee initially felt it should be possible to do this incrementally, subsequent findings lead your Committee to the conclusion that the best course of action is to appropriate all of the funds the Corporation will require to allow the master planning process to begin. The bill has therefore been amended to include the \$70,000,000 amount.

Your Committee understands that appropriation of these funds ensures that the Corporation will provide a minimum of 3420 homes, sixty percent of which will be sold at prices between \$75,000 and \$85,000.

Before concluding, your Committee would like to publicly express its concern over the proposal announced by the Corporation to: (1) condemn Queen Liliuokalani Trust lands; (2) sell valuable state beachfront lands; and (3) proceed with development of a resort before the placement of infrastructure and construction of affordable homes. Your Committee feels that a more prudent approach that preserves valuable state lands and respects the ownership of private lands whenever possible, should be pursued.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 332 Housing on H.B. No. 58

The purpose of this bill is to: (1) appropriate funds for the planning, design, and construction of supervised shelters for the homeless; and (2) facilitate individual transition to sheltered living with outreach and educational programs, with priority given to families.

The extensive testimony received in support of this measure indicates that homelessness is a major concern to the people of Hawaii. Your Committee notes that it is estimated that there are over 4000 homeless in the state. In addition to the great need for shelters, supportive social services must be provided for the success of any program to meet the needs of the homeless population.

Your Committee is encouraged by information indicating that Hawaii has received federal monetary assistance under the Stuart B. McKinney Homeless Act, and that after the approval of the overall State Comprehensive Housing Assistance Program, Hawaii will qualify for additional federal funds in this area.

Your Committee has adopted the recommendations of the Executive Director of the Housing Finance and Development Corporation and has amended Section 2 of the bill to include: (1) acquisition and rehabilitation of existing structures for homeless shelters; and (2) the islands of Molokai and/or Lanai as recipients of assistance for the establishment of a shelter. The Hawai'i Housing Authority and the Department of Human Services have been designated as the expending agencies in appropriate funding provisions, as recommended by the Housing Finance and Development Corporation and the Hawaii Housing Authority.

A definition of a homeless person has also been included in Section 1 of the bill. The definition inserted tracks the language of the previously mentioned Stuart B. McKinney Homeless Act.

In conclusion, your Committee recognizes that the monies requested fall short of the total needs of the increasing homeless population, however this measure represents a monumental start. The passage of this bill represents a commitment by the people of Hawaii to meet this basic human need.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 58, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 333 Housing on H.B. No. 59 (Majority)

The purpose of this bill is to amend Chapter 514A-2, Hawaii Revised Statutes, to prevent the application of the statutory provisions regarding condominium property regimes on residential lots for the purpose of subdividing or splitting ownership of ohana dwellings.

Your Committee received testimony recounting abuses of the application of the condominium property regime laws. The development of second dwellings in areas where ohana zoning is permitted and the subsequent application of certain condominium property regime provisions has resulted in an increase in neighborhood population density, changes in the character of many neighborhoods, and attendant traffic and parking problems.

Your Committee further finds that the application of Chapter 514A-2, HRS, to Ohana Zoning has neither promoted affordable housing, nor accommodated the needs of extended families, and therefor works against the spirit and original intent of Ohana Zoning.

Your Committee has amended Section 1, Line 7 of the bill to reflect the large number of individuals not even living on the property in question who have taken advantage of the combined use of the ohana dwelling and condominium property regime statutes. To clarify the intent of this bill, the increase in neighborhood density referred to in Section 1, Lines 14 and 15, has been deleted as the separate sale and ownership under a condominium property regime do not directly affect density. On the recommendation of the City and County of Honolulu, the section referred to has been amended to 46-4(c), in Section 2, Line 15.

Other technical, nonsubstantive amendments have been made to the bill for purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 59, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 59, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

SCRep. 334 Housing and Water and Land Use on H.B. No. 1462

The purpose of this bill is to clarify that the Housing Finance and Development Corporation has the power to provide financial or other assistance to homeowners to enable them to file legal actions based on claims resulting from substantial construction defects in units developed, constructed, financed, purchased, or sold pursuant to Act 105, Session Laws of Hawaii 1970, as amended. It also makes the class action device more available in litigation.

Your Committee received testimony indicating that, at present, many homeowners have failed to file any action due to the prohibitive cost of litigation. Moreover, testimony received from the Corporation assured your Committee that the Corporation would not be required to file legal action, but may, if justified.

Your Committee has amended the bill by: deleting language referring to discretion by the courts; limiting the filing of a class action to the Housing Finance and Development Corporation; lowering the qualifying number of participants in the class action from ten to five; and addressing the type of the defect rather than the cause.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 1462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1462, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 335 Housing and Water and Land Use on H.B. No. 681

The purpose of this bill is to amend Section 201E-210, Hawaii Revised Statutes, to make housing developed by the Housing Finance and Development Corporation (HFDC) accessible to the disabled.

Your Committee heard testimony illustrating the difficulties disabled people have in finding appropriate housing. It is estimated that while only one per cent of existing housing units are accessible to the disabled, nine to seventeen percent of the population is disabled. By requiring the HFDC to make twenty percent of all its future projects accessible to the disabled, the State would begin to reach a goal of having appropriate housing available to all disabled persons. This will eventually meet the needs of the disabled who now wait for up to four years for the few existing accessible units.

While agreeing with the intent of the bill, your Committee has amended the bill to refer to rental housing developed by the HFDC, rather than all housing. Testimony presented indicated that a greater percentage of the lower income population is disabled, and therefore the need for accessible housing is greatest in rental housing.

Your Committee has further amended the bill to place the provisions in Section 201E-201 of the Hawaii Revised Statutes.

Your Committees on Housing and Water and Land Use Development are in accord with the intent and purpose of H.B. No. 681, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 681, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Hiraki and Lee.

SCRep. 336 Health on H.B. No. 1906

The purpose of this bill is to establish a program within the Department of Health, funded through legislative appropriations, to ensure basic health insurance coverage for Hawaii residents who are medically uninsured or whose income or assets exceed the medically needy eligibility standards, but are not more than two hundred percent of the established poverty income level. Your Committee has changed the purpose of the bill by redirecting the program to specific gap groups, broadening the eligibility and providing all children through the age of seventeen with comprehensive coverage.

Your Committee heard testimony from the Department of Health, the Hawaii Public Health Association, the Steering Committee of the Governor's Conference on Health Promotion and Disease Prevention, the Department of Human Services, the Hawaii Medical Services Association, the Hawaii State Primary Care Association, Waianae Coast Comprehensive Health Center, the Healthcare Association of Hawaii, the Interagency Council for Immigrant Services, the State Functional Health Plan Advisory Committee, Waikiki Health Center, Young Democrats of Hawaii, Kaiser Permanente, Hawaii Nurses' Association, Hawaii Medical Association, Kalihi-Palama Health Clinic, Department of Labor and Industrial Relations. Virtually all of these organizations testified in support of the intent of the bill. The major area of disagreement was the bill's exclusion of inpatient care. In addition, there was a wide ranging discussion as to the limits on income and assets and whether or not a single insurance plan would adequately met the needs of all the individuals in the gap group.

Your Committee discovered that while the bill is a good first step, much still needs to be done before a clear picture of the program and its costs emerges. In fact, the Department of Health was suggesting further amendments to the bill during the hearing.

Your Committee is anxious to learn more details of how the program would be structured, but is willing to incorporate its priorities into the current bill to provide guidance to the Department and to clarify the dialogue during this legislative session.

In designing a system to serve the needs of the various gap groups, the Department is encouraged to explore the relationship of unemployment insurance to the new program; subsidization of those who carry insurance, but do not carry it for their dependents; bilingual services for immigrants and refugees; and use of the State hospitals on the neighbor islands. The Department is also encouraged to explore the desirability of designing several plans targeting specific groups rather than a single plan for all.

Your Committee is also concerned that State government employs a large number of individuals who are uninsured, and wishes the Department to make a good faith effort to incorporate them into the new system.

Your Committee has amended the bill in the following manner:

1. Specific eligibility standards, set forth in Section 1-1(d), such as "not more than two hundred percent of the established poverty income level" have been deleted and the "underinsured" have been added as a target group;
2. The prohibition on incorporating inpatient care into the program has been deleted in Section 4-4, "Exemptions". Subsequent subsections have been renumbered;
3. The reference to a single "gap group" in the "Definitions" section has been replaced with the itemization of several distinct "gap groups" which should be served by the program and which may have different needs;
4. The goals of the program have been enumerated in Section 3-3.
5. The term "medical care coverage" has been deleted in favor of "health care coverage" and this has been expanded to include "preventive care, education, case management, and outreach". This terminology has been employed throughout the bill;
6. The absolute requirement for some payment has been deleted to allow flexibility in designing the program for some in the gap groups;
7. The prohibition against termination of existing policies in order to receive benefits under the new plan has been deleted;
8. The permanent disqualification for violation of any rules has been deleted in the new subsection 1-7 and the term "may" has been substituted for "shall" in this section.

9. The program has been directed to ensure that all children from birth through the age of seventeen are covered with comprehensive inpatient and outpatient services.

Nonsubstantive changes have been made for purposes of clarity and style.

In addition, your Committee learned that it may be necessary to amend Chapter 346-71, Hawaii Revised Statutes, which relates to eligibility for public assistance. This may be necessary if the new insurance program incorporates the expansion of public assistance benefits for certain gap groups.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 337 Health on H.B. No. 842

The purpose of this bill is to amend the Hawaii Revised Statutes by adding a new section to: (1) establish within the Department of Health an early childhood family education program, consisting initially of seven projects, to strengthen home-school relationships and develop competent and confident parents with knowledge of the physical, mental, and emotional development of children; (2) finance a portion of the program's cost by creating an early childhood family education program special fund, which will be funded by revenues generated by a surcharge of \$8 on certified copies of birth certificates; and (3) appropriate additional funds from the state's general revenues to cover the balance of program costs.

Testimony supporting this measure was received by your Committee from the Hawaii Public Health Association, the National Association of Social Workers, People Attentive to Children (PATCH), the Department of Education, the Department of Health, the Office of Children and Youth, and an early childhood education specialist in the Department of Education.

However, PATCH and the Department of Health in their testimonies noted that the mechanism of a surcharge on birth certificates to fund programs has been utilized in other states where it caused considerable confusion and proved to be an unreliable and ineffective funding mechanism, with the fixed surcharge preventing expansion of successful programs and leading to exorbitant fees for birth certificates. Other means of funding were suggested during discussion of the testimony, including a sliding fee scale based on income criteria and the use of general revenue monies.

In addition, the Department of Health noted that beginning a program such as this at seven project sites may be overly ambitious. The Department suggested that the number of sites be reduced until an evaluation of the program has been performed to determine the effectiveness of the pilot program and justify the cost of implementing it on a statewide basis.

Your Committee feels that the program proposed in this bill will fit coherently into the package of early childhood programs now being considered. Your Committee is also of the opinion that the appropriate roles for the Departments of Education and Health be examined further and that the Department of Human Services, the Office of Children and Youth, and other appropriate agencies be considered as participants in some capacity.

Your Committee has therefore amended this measure by eliminating the provisions to establish an early childhood education special fund and a surcharge on the fee for certified copies of birth certificates. Further, the provision to specify the duration of the program has been eliminated, and until more accurate data is available, the designation of seven sites has been changed to several sites. The nominal sum of \$1 has been inserted as the amount to be appropriated.

In the listing of program personnel, position descriptions have been amended to more clearly reflect the duties and responsibilities of the staff, and the position of early childhood educator, which was mistakenly omitted in the original bill, has been reinserted.

Your Committee urges that the Department of Health work closely with the Department of Education on matters of mutual concern, such as the most appropriate available facilities for program sites, and that the input of other agencies, including the Department of Human Services and the Office of Children and Youth be solicited to the extent feasible.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 842, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 338 Health on H.B. No. 1028

The purpose of this bill is to improve the condition of the homeless by:

- (1) Establishing a special program to identify and coordinate the delivery of services for the homeless; and
- (2) Establishing an advisory committee to assist the Department of Health on matters relating to services for the homeless and strategies to reduce the homeless population.

Under this bill, the Department of Health would better serve the homeless population through a program which will: coordinate services already available such as Medicaid; identify needed services which are not yet available; and gather reliable data on Hawaii's homeless population.

Your Committee finds that homelessness is a significant and nationally growing problem which has yet to be addressed comprehensively and effectively in Hawaii. More specifically, your Committee finds that the State lacks a coordinated approach to the homeless, especially at the program level. A coordinated approach is essential, because the homeless have many varied needs, ranging from the unique needs of homeless families to those individuals suffering from mental illness. This creates a problem in terms of the delivery of services, because it is unclear which agency should be the provider or whether there should be a team of providers. Although the Department of Health currently provides most of the services to the homeless, other departments are beginning to become involved. Even within the Department of Health, it is uncertain whether services for the homeless should be provided by the Division of Mental Health or some other section of the Department.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1028 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 339 Health on H.B. No. 1847

The purpose of this bill is to alter the rules on confidentiality of records containing information on human immunodeficiency virus (HIV) infections.

Your Committee heard testimony from the Department of Health, the Life Foundation, the American Civil Liberties Union, the Hawaii Public Health Association, Hawaii Medical Association, the Hawaii Medical Record Association, Kapiolani Medical Center and the Governor's Committee on AIDS.

Your Committee finds that there is a need to clarify rules regarding the reporting of confidential information in order for the State to comply with federal reporting requirements. Even though technically federal requirements supercede State ones, your Committee finds the provisions in Section 1, paragraph 1 of the bill are desirable to enlist the full cooperation of all physicians in the State.

There was general consensus among those who testified, however, that paragraph 10 of Section 1, which allows health care providers to inform unknowing sexual partners of an individual with HIV infection about their risk of contracting HIV, presents significant concerns about maintenance of confidentiality. In lengthy discussion at the hearing of the Senate companion bill, your Committee has learned, there was a decision made to delete this paragraph. Those testifying at the hearing on the House measure, including the Department of Health, concurred with this recommendation.

Your Committee has amended this bill by adding the phrase "to or" to paragraph 4 of section 1 so that it reads "release to or by the Department of Health, etc." and by deleting the entire text of paragraph 10.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1847, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 340 Health on H.B. No. 1654

The purpose of this bill is to provide Capital Improvement Project funds for various health projects, including: \$1,100,000 for a renal dialysis facility at St. Francis Medical Center-West; \$1,000,000 for an Oahu residential treatment facility for adolescent substance abusers; \$2,000,000 for a psychiatric unit at Hilo Hospital to renovate their facilities; \$750,000 to construct a multi-purpose drop-in mental health center for seriously disabled mentally ill clients in Kalihi-Palama; \$300,000 for planning and design of an acute care facility in Waimea which would include skilled nursing beds; and \$15 million for planning, design and construction of a hospital facility in Honokaa.

Your Committee heard testimony from the Department of Health, the North Hawaii Community Hospital and the Hamakua District Development Council in support of this bill, particularly the Capital Improvement Project funds which go toward meeting North Hawaii's needs.

Your Committee is amending the residential treatment facility to treat adolescents with "behavioral health problems" rather than adolescent substance abusers. It is amending the acute care facilities in Waimea to include emergency facilities. Your Committee is also adding \$750,000 Capital Improvement Project funds to plan, design and construct a mental health multi-use clubhouse in Waipahu like the one in Kalihi-Palama.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1654, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 341 Health on H.B. No. 1058

The purpose of this bill is to create a position for an HIV public information specialist to staff an HIV Information Clearing House in the Department of Health. The purpose of this bill has been amended by specifying that there could be more than one of these positions and that this responsibility could be added to already existing positions.

Your Committee heard testimony from the Governor's Committee on AIDS, the Department of Health, the Life Foundation and the Hawaii Public Health Association in support of the bill.

Your Committee finds that the promotion of increased education and awareness of HIV throughout the State is one of the most cost-effective steps the State can take to reduce transmission of the HIV virus.

Your Committee has amended this bill by appropriating \$60,000 for each year of the biennium to be expended by the Department of Health for the purposes of the act. In the last paragraph of Section 1, "position" has been pluralized and an apparent typographical error has been corrected to clarify that new positions can be created "or" the new responsibility can be added to existing job descriptions. These changes give the Department the flexibility to staff the Clearinghouse in the most appropriate manner.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1058, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 342 Health on H.B. No. 712 (Majority)

The purpose of this bill is to add to the Department of Health three additional Deputy Director positions.

Your Committee finds that the Director of the Department of Health's office currently directs the activities of over 5300 employees and has a budget of more than \$230 million. Most of its eight divisions are larger in size than many state Departments and the Department has one of the highest ratios of employees to deputies. The addition of three additional Deputies should make the task of managing this huge department far more efficient and will enhance coordination and communication within the Department.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 712 and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Chang and Liu.
(Representative Cavasso did not concur.)

SCRep. 343 Health and Judiciary on H.B. No. 139

The purpose of this act is to require that all plans and specifications for the construction of public buildings and facilities by the State or any political subdivision be prepared so that those buildings will be accessible and usable by the physically handicapped in conformance with the Uniform Federal Accessibility Standards. Your Committees have changed the purpose of the act by requiring consultation with the Commission on the Handicapped and by setting up an Architectural Access Committee to review variance requests.

Your Committees heard testimony from the Department of Accounting and General Services, the Department of Health, the Hawaii Housing Authority, the Handicapped Network, the Commission on the Handicapped, Hawaii Council for Independent Living, the State Planning Council on Developmental Disabilities, and the Paralyzed Veterans. All of the testifiers were in support of the intent of the bill, but many had concerns about a stipulation that any deviation from the standards be corrected in 120 days. There was concurrence that this was an impossibility.

There was a prolonged discussion about how these new standards differed from the American Standards Specifications currently in use. The organizations representing persons with disabilities uniformly favored the new standards which are more specific in terms of, for example, the number of handicapped parking stalls which must be provided. Your Committees heard testimony that many millions of State dollars need to be expended to correct at least seventy-eight buildings that were built out of compliance because the architects' blueprints were not subject to review by experts in the field of accessibility standards.

Your Committees learned of a committee of all concerned parties which met over the interim and drafted compromise language which all parties agreed to. The Commission on the Handicapped has provided that draft to the Committees who have incorporated it into the bill.

The specific substantive amendments your Committees have made are as follows:

- 1) The final sentence of the first paragraph of Section 1 which refers to the 120 day compliance period has been deleted. This entire paragraph now becomes subsection (a).
- 2) A new subsection (b) requires all agencies subject to this section to seek consultation with the Commission on the Handicapped for review of any construction plans.

- 3) A new Section 2 is added which adds a new Section to Chapter 103, Hawaii Revised Statutes setting up an Architectural Access Committee and delineating its composition, authority, staffing and the necessity for rule making. This Committee will have the authority to vary specific requirements of Section 103-50.
- 4) A new Section 3 appropriates \$30,562 to be expended by the Department of Health for each fiscal year of the biennium for the purposes of the act.
- 5) The standard Ramsayer language appears as Section 4 and the effective date is changed to July 1, 1989.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 139, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 139, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 344 Health and Intergovernmental Relations and International Affairs

The purpose of this bill is to create an Aloha Health Corps whose mission is to coordinate grassroots health volunteers and programs already working in the Pacific; to recruit and train health professionals for special assignments in the Pacific that complement existing programs and that provide an extended grassroots partnership between Hawaii and our Pacific neighborhoods; to create idealistic opportunities for Hawaii's people to share; and to learn, contribute and benefit from international service.

Your Committees heard testimony in support of the bill from former Peace Corps volunteers, the Department of Health, and the University of Hawaii. Testimony emphasized the desirability of establishing such a program in light of the Administration's existing Pacific Health Promotion and Development Center and the efforts currently under way in the Pacific. It was noted that such a program would be the first in the nation begun by an individual state, and that Hawaii would build on its reputation for establishing and maintaining sensitive ties to its Pacific neighbors.

The University of Hawaii noted that there were opportunities to provide special incentives for Aloha Health Corps volunteers who might desire to continue their education at the University. This would result in an additional opportunity for them to be of service to Hawaii while expanding the horizons for them as health care workers providing cross-cultural and international health services.

The Department of Health estimated that in the second year an additional \$100,000 would permit the placement of the first volunteers in the field. Your Committees concur with this schedule and have amended the bill to add additional funds in the second year. In addition, subsequent discussions indicated that specification of the Aloha Health Corps director's salary level might not provide the needed flexibility. Your Committees have thus further amended the bill to delete specific reference to the salary level.

Your Committees on Health and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 57, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 57, H.D. 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 345 Planning, Energy and Environmental Protection and Intergovernment Relations and International Affairs on H.B. No. 28

The purpose of this bill, as received by your Committees, is to fund an international conference on global warming.

Your Committees find that if the global warming trend continues, the State may face shortages of fresh water and eventual flooding of coastal and some low-lying areas. To better deal with these immediate problems, your Committees find that it would better serve the intent of the bill to provide funding for policy planning to directly benefit the State, rather than to provide funding for an international conference with questionable direct benefits for the State.

Accordingly, your Committees have amended this bill to appropriate \$100,000, to be expended by the Office of State Planning, to conduct policy planning with regard to the potential adverse effects from global warming in the State, based on an estimated one meter sea level rise by the year 2050. The Office of State Planning, with the cooperation of the Hawaii Coastal Zone Management Program, shall do the following:

1. Map the one meter sea level rise area for all inhabited islands in the State;
2. Collect information on planned and potential projects, both public and private, in these areas;
3. Develop proposed guidelines to govern what types of projects within these areas may receive expenditures of public funds; and
4. Prepare a preliminary report to the Legislature twenty days prior to the commencement of the 1990 Regular Session.

Your Committees received favorable testimony from the Office of State Planning, the Hawaii Institute of Geophysics of the University of Hawaii, the American Lung Association, Hawaii's Thousand Friends, and the Natural Resources Defense Council, Inc., who all recognized the urgency of dealing with the problem of global warming or the "greenhouse effect."

Your Committees on Planning, Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 28, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 28, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 346 Planning, Energy and Environmental Protection and Intergovernmental Relations and International Affairs on H.B. No. 29

The purpose of this bill is to appropriate \$600,000 to the Department of Business and Economic Development (DBED) for the expansion of the current cooperative program between the Hawaii Natural Energy Institute (HNEI) of the University of Hawaii and the People's Republic of China and other Pacific Basin Countries.

The State administration has repeatedly called for the attraction and development of "high tech" industries in Hawaii. There has also been a recurring call for Hawaii to take the lead among Pacific basin countries in new future orientated industries such as space launching and telecommunications. Your Committees find that Hawaii has become a leader in the Pacific Basin in the research, development and utilization of renewable energy technologies. HNEI has begun significant cooperative outreach and technology transfer programs with the People's Republic of China. From this base, there is a excellent opportunity for launching a larger program wherein Hawaii can provide the leadership and create new opportunities for our alternative renewable energy industries.

The University of Hawaii has entered into 12 cooperative agreements with various universities and research programs in China and discussions are proceeding with several additional institutions. Although the People's Republic of China has advanced technologically to a much greater extent than many Pacific Basin Countries, it is desirable that Hawaii maintain a technology transfer program that will be mutually beneficial. China's increasing energy needs could create a demand for alternate energy technologies and products developed in Hawaii which would enhance the Hawaii trade program for renewable energy.

Your Committees on Planning, Energy and Environmental Protection and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 29 and recommend that it pass Second Reading and that it be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 347 Planning, Energy and Environmental Protection on H.B. No. 1265

The purpose of this bill is to set a minimum fine of \$25 for litter violations and to appropriate funds for a statewide litter enforcement program.

Your Committee received testimony from the Department of Health, the State Department of Transportation, and the Outdoor Circle supporting the intent of this bill.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1265 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Say.

SCRep. 348 Planning, Energy and Environmental Protection on H.B. No. 298

The purpose of this bill as received is to establish a five cent refund value on all beverage containers.

Your Committee heard numerous testimonies indicating that this bill would be an inefficient means of addressing the problem of litter control and the larger problem of solid waste.

In light of the testimony presented your Committee has amended this bill by deleting the original provisions calling for deposits on beverage containers. Instead, your Committee has inserted provisions for economic incentives which attempt to address the needs of consumers, beverage container manufactures and distributors, as well as those recycling centers accepting and crushing glass bottlers for re-use by mainland bottlers.

This bill, as amended, provides for a tax credit of \$0.05 per beverage container for containers which a recycling manufacturer purchases and refills within the State, and a credit of \$0.03 per beverage container for those containers which a recycling center purchases and crushes for shipment outside the State. The intent of this Committee is to provide beverage container manufacturers and recycling centers with a tax credit to offset their costs in purchasing and recycling beverage containers, and thereby, providing consumers with more incentives to collect and recycle glass beverage containers.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 298, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Apo, Hashimoto, Hiraki, D. Ige, Say, Hemmings and O'Kieffe.

SCRep. 349 Planning, Energy and Environmental Protection on H.B. No. 1295

The purpose of this bill is to create a State of Hawaii Earth Day 20 Commission to plan, develop, coordinate, and implement public events and activities to communicate information about the urgent environmental challenges that face the State, the Nation, and the global community.

The first Earth Day in 1970 marked the beginning of a grass roots environmental consciousness across the United States. Since then, great strides have been made. However, much remains to be done.

Your Committee finds that Earth Day 20 activities will focus public attention on all environmental issues and solutions, and reinforce the need to protect our fragile environment.

Testimony from the Department of Health suggested that the term "commission" tends to imply permanence and long-term bureaucratic development, and suggested the term be changed. Accordingly, your Committee has amended the bill to replace the term "commission" with "committee" wherever appropriate.

Your Committee received testimony supporting this bill from the Department of Health, the State Environmental Council, the Governor's Office, and other private organizations and individuals.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1295, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1295, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 350 Planning, Energy and Environmental Protection on H.B. No. 1611

The purpose of this bill is to provide the State an opportunity for providing assistance, in the form of special purpose revenue bonds to both Chronar Corporation and Energy Conversion Devices Inc., for the establishment of photovoltaic-panel manufacturing facilities in Hawaii, rather than limiting assistance to one, or the other.

Your Committee finds that both candidate companies have the capability of satisfactorily constructing and operating a photovoltaic-panel manufacturing facility. Assisting both companies would provide greater benefits to the State.

Act 142, Session Laws of Hawaii 1988, authorized the appropriation of up to \$30 million in special purpose revenue bonds for establishing these facilities. Your Committee would like to note that it subsequently discovered that the Tax Reform Act of 1986 places a limit of \$10 million on special purpose revenue bonds for each manufacturing facility of the type proposed by the two companies.

Your Committee received testimony supporting the intent of this bill from the Department of Business and Economic Development, Energy Conversion Devices, Inc., and the Solar Energy Research Institute.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1611, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 351 Planning, Energy and Environmental Protection on H.B. No. 617

The purpose of this bill is to provide the funding necessary to validate the computational models and data bases for the prediction and detection of pesticides and other chemicals that could contaminate groundwater.

Your Committee finds that the protection and maintenance of the quality of groundwater used for drinking is vital to the welfare and health of the people of Hawaii. A successful modeling effort could provide an extremely useful tool in formulating a prevention program to keep harmful chemicals out of the groundwater.

Testimony supporting the intent of this bill was presented by the Board of Water Supply of the City and County of Honolulu, the Hawaiian Sugar Planters' Association, and the Hawaii Medical Association.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 617, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 352 Planning, Energy and Environmental Protection on H.B. No. 502

The purpose of this bill is to require notice to a buyer, renter, or lessee by an owner of nonresidential real property that the property has been contaminated, on or below ground level, by hazardous substances. The lessees or renter will also have an obligation to inform the owner or lessor of past or future releases of hazardous materials.

Your Committee received testimony from the Department of Health and the Hawaii Medical Association in support of the intent of the bill. The Hawaii Pest Control Association raised some issues regarding the interpretation of the terms "hazardous substances" and "release."

Concerns were also raised by the Department of Health that the bill, as received, does not provide a clear definition of hazardous substance, nor does it define what constitutes a reportable quantity. Your Committee finds that this bill is a key part of consumer protection and real estate transactions and should be enforced by an appropriate body or organization.

Accordingly, your Committee has amended this bill to clarify and expand the disclosure aspects of this measure by providing definitions for hazardous substances and reportable quantities by reference. The bill was also amended to require reporters to disclose knowledge of hazardous waste and underground storage tank activities, since these are closely related and may have led to hazardous substance releases, but might have been considered exempt. Technical, nonsubstantive amendments were also made for the purposes of style and clarity.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Bellinger.

SCRep. 353 Planning, Energy and Environmental Protection on H.B. No. 1004

The purpose of this bill is to establish a \$4,000,000 nonlapsing annual allocation to the Natural Area Reserve Fund from revenues generated under Chapter 237D, HRS, and to declare the State's commitment to the Governor's plan for the permanent funding of the natural area reserves systems.

Your Committee strongly endorses the Governor's proposal for "...a new and permanent commitment of \$4 million a year from our hotel room tax revenues to preserve and manage our Natural Area Reserves and sustain our unique native flora and fauna."

Protecting forests and endangered species is no longer a matter of concern for only biologists and "bird lovers." Our forests, which are vital sources of fresh water, are now facing serious threats. Future opportunities for sustained economic growth and the very quality of life we enjoy is in serious jeopardy.

Your Committee finds that seventeen years ago, our State government had the foresight to recognize the importance of protecting our fragile natural heritage. They established the State Natural Area Reserve System (NARS) to protect important natural areas within the vast inventory of state lands. Today, 18 reserves have been established totalling 108,000 acres, and include thousands of uniquely Hawaiian species, ideal sites for outdoor education and research, and in many cases, vital watershed lands.

However, for many years, most of these reserves suffered from serious management problems which threatened to destroy or permanently degrade the resources we have been so fortunate to inherit. Protecting Hawaii's watersheds and scenic beauty requires a sustained investment of funds and manpower for essential activities such as protective fencing and equipment, staff training, and research programs. If funding is allowed to lapse for even a short time, progress made in protecting and restoring natural areas could be jeopardized, or lost.

Your Committee feels strongly that the hotel room tax is an appropriate source of funds. Approximately 5.6 million visitors stay in Hawaii each year, spending in excess of \$5.5 billion annually. Like many of its residents, the majority of Hawaii's visitors are attracted by the State's natural beauty and increasingly want to enjoy active outdoor recreation. At the same time, however, Hawaii's visitors put additional pressures on its natural resources. The forests and natural areas which need protection are also our primary watersheds on every island. Unless we protect our watersheds, we may soon face serious water shortages, affecting residents and visitors alike.

Your Committee further finds that Hawaii is among a handful of states that will be able to lay claim to a portion of the federal funding that may soon become available through congressional passage of the American Heritage Trust Act. The new Act would set aside 10% (now estimated at \$100 million) of its generated revenues specifically to match state contributions to state trust funds similar to our Natural Area Reserve Fund. But only a stable funding source will qualify Hawaii to seek these matching federal funds.

Your Committee has amended paragraph (c) in section 2 of this bill to include an analysis of management objectives which have or have not been met in the department's annual report to the legislature. This amendment was made at the suggestion of the department.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 1004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1004, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 354 Labor and Public Employment on H.B. No. 484

The purpose of this bill is to provide a five per cent differential for salary levels of excluded employees over the collectively bargained salary levels of included employees of equivalent grade.

Testimony indicated that a pay differential in favor of the excluded employee over an equivalent grade included employee was found to be justified by a consultant hired by the administration in 1980.

Your committee has amended the bill to amend chapter 89C, Hawaii Revised Statutes, to allow a differential higher than five per cent and to make it clear that the director of personnel services of the State is required to confer with the directors of personnel services of the counties and with the administrative director of the courts in establishing the differential.

This bill provides a mechanism for adjusting the pay rates of excluded employees and is not intended to establish a monetary tie between the excluded manager's pay scale to collective bargaining pay raises.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 484, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 355 Labor and Public Employment on H.B. No. 1356 (Majority)

The purpose of this bill is to increase the State's minimum hourly wage from \$3.85 to \$4.25 beginning January 1, 1990, and to provide for an automatic increases after 1990 based on a percentage increase of the State's average weekly wage as determined by the Director of Labor and Industrial Relations.

The Department of Labor and Industrial Relations in supporting the intent of the bill testified that in the administration of a minimum wage law that provides for automatic increases based on the average weekly wage, an annual increase will not provide adequate advance notice to employers of the amount of the increase to plan and prepare for the increase. Additionally, the Department recommended that the computation of the State's average weekly wage be determined pursuant to Section 383-22(b).

In consideration of the concern expressed by the Department that is entrusted with the administration of the minimum wage law, the bill was amended so that the increases in the minimum wage will occur in even numbered years only. The method of determining the amount of the increase for each year remains the same, however, the percentage increase for each of the two years is added and that total percentage increase becomes effective in even numbered years only. The department is allowed to determine the percentage increase based on the fiscal year ending June 30 of the even numbered year preceding the year in which the increase is to become effective.

Employers are accorded twelve months of notice of the amount of the increase and should have ample time to prepare and plan for the increase.

The bill was also amended to provide that the state's average weekly wages be determined in the same manner as the Department of Labor and Industrial Relations currently determines the state average weekly wages under sections 383-22(b), 383-61(b) and 386-31(a).

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 356 Labor and Public Employment on H.B. No. 1378

The purpose of this bill is to expand the scope of the State's group life insurance plan to include the term "group life benefit program."

Your Committee finds that when the Hawaii Public Employees Health Fund was established, life insurance seemed to be the foremost concern of both employer and employee. Today there are other means of protection besides life insurance, thereby necessitating the addition of the term "group life benefit program" to existing law.

Testimony from the HGEA/AFSCME Local 152 indicated that the present law prevents some organizations from seeking other means of protection for members, except through a group life insurance program. This bill would enable employee organizations to seek the best means of protecting their members during their employment years.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1378, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 357 Labor and Public Employment on H.B. No. 1358

The purpose of this bill is to authorize the Board of Trustees of the Hawaii Public Employees Health Fund to provide and administer a long-term care insurance plan for enrollees of the Health Fund and their parents.

Your Committee finds that employee-beneficiaries and their spouses should be eligible to participate in a long-term insurance benefits plan, provided that they assume responsibility for premium costs and related administrative expenses.

Your Committee received testimony from the Hawaii Public Employees Health Fund, the Executive Office on Aging, the Coalition of Hawaii State-Counties Retirees, and the Hawaii State Teachers Association supporting the intent of the bill.

However, the Hawaii Public Employees Health Fund raised concerns that the bill in its present form may not accomplish its intent. Accordingly, the bill has been amended by:

- (1) Expanding the authority of the Board of Trustees of the Health Fund to provide long-term care insurance benefits;
- (2) Requiring contributions for the benefits by the employee-beneficiaries; and
- (3) Authorizing the Board of Trustees to select a carrier plan.

To effectuate the purpose of this bill, your Committee has amended this bill by providing for the appropriation of funds to be expended by the Board of Trustees of the Health Fund to implement the long-term care insurance benefits plan. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1358, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 358 Labor and Public Employment on H.B. No. 483

The purpose of this bill is to amend provisions relating to retirement system credits for unused sick leave. It provides that employees of twelve months who are not covered by an approved sick leave accumulation system shall be entitled to eleven days of sick leave credits per year of employment, and employees of nine months not covered by an approved sick leave accumulation system shall be entitled to nine days of sick leave credits per year of employment for computing additional service credits in the retirement system.

Presently, the instructional faculty ("I" faculty) at the University of Hawaii at Manoa, Hilo and West Oahu College do not earn and accumulate sick leave and accordingly do not receive any retirement credits for unused sick leave as do other government employees.

Your Committee received testimony from the Employees' Retirement System and the University of Hawaii Professional Assembly.

Your Committee through further consideration amended the bill which will minimize the additional costs incurred by computing the accumulation of sick leave credit from July 1, 1989.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 483, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 483, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 359 Labor and Public Employment on H.B. No. 1854

The purpose of this bill is to make salary adjustments for the Governor, Lieutenant Governor, cabinet and sub-cabinet officers and certain other executive officers and to provide for the establishment of a salary commission to regularly review salaries of State executive branch elected and appointed officials.

Your Committee received favorable testimony from the Department of Personnel Services and the Department of Education.

Your Committee has amended the bill by inserting the amount of \$1.00. It's the intent of the Committee to have the proper amounts be inserted following receipt of the recommendation of the Governor's Executive Salary Commission.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 360 Labor and Public Employment on H.B. No. 138

The purpose of this bill is to allow public employees to use their paid sick leave to care for ailing household members for whom the employees have a duty of care.

Your Committee finds that well over half of the married women with children under the age of two work outside the home, both by choice and by economic necessity. Children, particularly newborns or those who are seriously ill, may need full-time care, and today's working parents are increasingly torn between their responsibilities to their employers and to their families.

Additionally, as medical advances enable people to live longer, adult children of elderly parents are increasingly called upon to care for their parents, particularly if they are disabled or chronically ill.

Your Committee finds that in the interest of sound public policy, this bill is needed to provide relief for those public employees who have a duty to care for their ailing children or parents. The term "child" means an individual who is a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, and who is under eighteen years of age or who is eighteen years of age or older and incapable of self-care because of mental or physical disability.

The term "parent" means a biological, foster, or adopted parent, a parent-in-law, a stepparent, a legal guardian, a grandparent, or a grandparent-in-law.

Your Committee understands that there currently is a certification procedure established to prevent abuses of sick leave privileges. It is the intent of your committee that similar procedures be extended to cover the provisions set forth in this bill.

Your Committee would like to note that the Office of Collective Bargaining and the Department of Civil Service of the City and County of Honolulu expressed reservations with regard to this bill. However, the Committee finds that the need to provide relief to public employees overrides these concerns.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 138 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 361 Labor and Public Employment on H.B. No. 961

The purpose of this bill is to appropriate funds for the 1989 Silver Anniversary of Hawaii's Community Action Programs.

Your Committee finds that Hawaii's community action programs have served every county in the State with services for the economically disadvantaged, elderly, handicapped, and preschool children for the last twenty years.

Testimony supporting the intent of the bill was received from the Department of Labor and Industrial Relations, the Honolulu Community Action Program, Inc., and the Kauai Economic Opportunity, Inc.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 961 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 362 Labor and Public Employment on H.B. No. 962

The purpose of this bill, as received, is to provide a bonus effective July 1, 1989 and each July 1 thereafter to those retirants and pensioners with ten or more years of service based on that person's date of retirement.

Under the current statutory scheme if a person retired from service, returned to service, and again retires, it is not clear which date of retirement should be applicable for determining the amount of the bonus. Accordingly, this bill has been amended so that the person's latest retirement date shall be considered the date of retirement for the purpose of computing bonuses paid under this section.

Your Committee has further amended this bill by changing the effective date to July 1, 1989.

Your Committee received testimony from the Employees' Retirement System and the Coalition of Hawaii State-Counties Retirees in general support of this bill.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 962, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 962, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 363 Labor and Public Employment on H.B. No. 924

The purpose of this bill is to provide lump sum payments to those former charter members of the Excluded Managerial Compensation Plan (EMCP) who retired, left state or county employment for other jobs, or transferred to positions covered by different pay plans, and did not receive back pay under Act 400, Session Laws of Hawaii 1988.

Your Committee finds that this bill would address this inequity by authorizing the state and counties to provide back pay for former charter members of the EMCP and making appropriations for the back pay.

The bill has been amended by inserting the appropriate appropriation amounts in this bill. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 924, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 364 Health and Transportation on H.B. No. 263

The purpose of this bill, as received, was to amend Chapter 264, Hawaii Revised Statutes, by mandating the Department of Transportation to erect noise barriers along state highways to lessen noise levels and to authorize residents of adjacent areas to decide whether such barriers shall be erected and what their appearance shall be. The purpose has been amended to appropriate funds out of the general revenues for the Department of Transportation to begin some initial experiments in the use of noise barriers.

Your Committees received testimony from the Department of Transportation, the Department of Health and a private citizen who lives in an area bordering the H-1 Highway. There was discussion of the heavy impacts on residences, schools and workplaces in certain neighborhoods from highway noise and of the various solutions which are being tried in other states.

Your Committees have amended this bill by deleting Section 1 which called for a change to Chapter 264, Hawaii Revised Statutes, mandating the Department of Transportation to erect noise barriers and authorizing residents in adjacent areas to decide whether such barriers should be constructed and what their appearance should be. A new Section 1 has been added which contains a discussion of findings and purpose. An appropriation of \$500,000 has been included to carry out the purposes of the Act.

Your Committees on Health and Transportation are in accord with the intent and purpose of H.B. No. 263, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 263, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Chang, Hirono, M. Ige and Yoshimura.

SCRep. 365 Health on H.B. No. 582 (Majority)

The purpose of this bill is to require the mandatory testing for HIV infection of certain hospital patients and to provide that the results of such testing may be released to its medical personnel. The purpose of this bill has been changed. The new language provides that the Director of Health may under certain circumstances set up a needle exchange program, according to rule, which targets intravenous drug abusers for the purpose of containing the transmission of the HIV virus.

Your Committee heard H.B. 268 "Relating to Drug Paraphernalia" which approaches the issue of setting up a needle exchange program by amending the drug paraphernalia law so that possession of needles and syringes, under the auspices of a Department of Health sanctioned program, shall not be considered a violation of Chapter 329-43.5. Your Committee finds, however, that amending the drug paraphernalia law - especially so soon after its enactment - may send an incorrect message to our citizens about official tolerance of illicit drug use. The Department of Health testified, and others strongly concurred, that a better approach would be to permit the Department to set up such a program, complete with rigorous safeguards, through its rule-making authority.

Consequently, the Department submitted language which would amend Chapter 325, dealing with infectious disease, rather than Chapter 329, which outlaws drug paraphernalia. Testimony was heard from Drug Addiction Services of Hawaii, the Hawaii Medical Association, the Hawaii Public Health Association, Kapiolani Medical Center, the Honolulu Police Department, the Attorney General's office in conjunction with the prosecutors and police chiefs, Dr. Marian Melish and Dr. George Starbuck of the Burns School of Medicine, the American Academy of Pediatrics, the Governor's Committee on AIDS, and the Life Foundation. There was strong testimony from the public health and medical communities in support of the concept of a needle exchange program targeting IV drug abusers and these organizations approved of the Department's approach and suggested language.

The law enforcement officials had serious reservations about the program, however, the police department said that they saw no conflict between a needle exchange program and the current drug paraphernalia law. Your Committee finds that the safeguards in the bill for persons possessing needles under the auspices of a program are designed to protect health care workers involved in the program rather than IV drug abusers. Your Committee wishes to point out, however, that this proposed bill will not effect the laws on drug possession.

Your Committee has amended this bill by inserting new language describing the conditions under which the director can set up a needle exchange program and specifying precisely what the rules shall cover.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Chang, M. Ige and Liu.
(Representative Cavasso did not concur.)

SCRep. 366 Water and Land Use and Economic Development and Hawaiian Affairs on H.B. No. 17

The purpose of this bill is to establish a fund into which a developer or landowner of land on which human remains are found must deposit money to cover the costs of services provided by an archaeologist, physical anthropologist, or both.

Your Committees received testimony on this bill from the Department of Transportation, the Department of Land and Natural Resources, the Hawaii Community Development Authority, the University of Hawaii Committee for the Preservation and Study of Hawaiian Language, Art and Culture, and the Society for Hawaiian Archaeology. Concern was expressed that The Bishop Museum should not be the entity responsible for creating the list of qualified specialists for selection by the Department of Land and Natural Resources. Several of those testifying suggested that this responsibility should be given to the department itself.

It was also expressed that existing mechanisms created by current law provide adequate protection for historical sites.

Your Committees have amended Sections 1 and 2 of this bill to provide that the Department of Land and Natural Resources will be responsible for the selection of specialists.

Your Committees, upon further consideration, have amended this bill by adding a new section which would appropriate moneys to purchase the Honokahua burial site at Kapalua, Maui.

This bill was also amended to correct certain typographic, technical, and stylistic errors.

Your Committees on Water and Land Use and Economic Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 17, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 17, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Fukunaga, Hashimoto and Kanoho.

SCRep. 367 Water and Land Use and Transportation on H.B. No. 1801

The purpose of this bill is to abolish the Aloha Tower development corporation and to transfer the responsibility of the Aloha Tower complex to the Hawaii community development authority, and to incorporate the Aloha Tower complex to the Kakaako community development district.

Your Committees have amended the bill as follows:

1. Included among the development guidance policies that the existing view planes of Aloha tower from downtown Honolulu be preserved;
2. Included among the development guidance policies that no use of the lands within the Aloha Tower area, described in Section 206E-32 as a part of the Kakaako community development district, shall be permitted except for compatible maritime and harbor uses and such other uses accessory and related thereto; and
3. Deleted sections 5, 6, and 7 of the bill relating to bonding powers, appropriation, and authorization to issue bonds.

Your Committees have also made technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees on Water and Land Use and Transportation are in accord with the intent and purpose of H.B. No. 1801, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1801, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Hashimoto, Horita, Kanoho, Okamura, Tajiri, Yoshimura and Marumoto.

SCRep. 368 Health and Intergovernmental Relations and International Affairs on H.B. No. 947

The purpose of this bill is to permit the state of Hawaii to participate in a joint compact with the state of California for the purpose of providing health care to Pacific Islands. An identical bill has been passed by the California Assembly.

Your Committees heard testimony in support of this bill from the Department of Health.

Your Committees have reviewed the structure, terms and purpose of the proposed compact and find that such a joint effort would benefit both the state of Hawaii and our Pacific neighbors. Your Committees are satisfied that Hawaii's membership, as proposed by this bill, is fair and reasonable and will ensure that in the implementation of the compact Hawaii will be an equal partner with California.

Your Committees also find that this initiative is consistent with existing State efforts, such as the Governor's Pacific Health Center as well as proposed programs such as the Aloha Health Corps, H.B. 57.

Your Committees are amending the bill to define this compact as a nonprofit organization, and to expand the geographic scope of the program from the Pacific Rim to the Pacific Basin.

Your Committees on Health and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 947, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hirono, Okamura, Souki, Tajiri, Takamine, Taniguchi, Liu and Marumoto.

SCRep. 369 Ocean and Marine Resources on H.B. No. 1217

The purpose of this bill is to appropriate \$2,000,000 for the design and construction of the Center for Applied Aquaculture.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources and the Oceanic Institute. In addition, the testimony from the University of Hawaii favored this bill in concept.

While in agreement with the intent of this bill, your Committee has amended this bill by designating the Department of Land and Natural Resources as the expending agency to carry out the purposes of this Act.

Your Committee has further amended this bill by: (1) adding the phrase "or so much thereof as may be necessary for" on line 11; (2) deleting the word "in" on line 11; and (3) adding a \$2,000,000 appropriation for fiscal year 1990-1991, which represents the final matching funds needed to secure the Federal funds appropriated by Congress.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1217, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1217, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bellinger.

SCRep. 370 Ocean and Marine Resources on H.B. No. 431

The purpose of this bill is to appropriate \$85,000 for the development of a comprehensive plan to identify overall potential uses of nearshore areas.

Your Committee received testimony from the Department of Land and Natural Resources and DHM, inc. and finds that Hawaii needs nearshore use planning to assure the most effective protection and utilization of this valuable resource. Such planning would encourage the coordinated development of ocean activities and also assure protection of resources.

While in agreement with the intent of this bill, your Committee has amended this bill by designating the Office of State Planning as the expending agency.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 431, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 431, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bellinger.

SCRep. 371 Ocean and Marine Resources on H.B. No. 1218

The purpose of this bill is to improve ocean recreation water safety in the State by establishing the Hawaii Water Safety Commission within the Department of Transportation. Under this bill, the Commission would be responsible for, among other things, the establishment of safety standards, the collection of data on water safety incidents, and the development of a water safety educational program.

Your Committee received testimony opposing this bill from the Department of Transportation (DOT), The Ocean Recreation Council of Hawaii (TORCH), and Mark Markrich. DOT maintained that this Commission would duplicate the duties and responsibilities of the recently established Ocean and Marine Resources Council. In addition, both TORCH and Mark Markrich testified that the Commission may prove to be too large and unwieldy a body and instead recommended interim work to address this issue in greater detail.

Your Committee finds that the water safety issue is of such importance that some type of action must be taken. Upon further consideration, your Committee finds that the establishment of a Water Safety Task Force and the appropriation of funds would ensure that this problem is addressed in a timely manner. Accordingly, your Committee has amended the bill by replacing the Hawaii Water Safety Commission with a temporary Water Safety Task Force that would provide duties similar to those proposed for the Commission. Secondly, the bill was amended by replacing the thirteen-member Commission with a thirteen-member Task Force that includes individuals with extensive lifesaving and water safety

expertise as well as four individuals to be appointed by the Speaker of the House of Representatives and the President of the Senate.

Finally, an appropriation of \$60,000 was inserted into the bill for the hiring of staff.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 1218, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1218, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Apo, Hashimoto, Kanoho, Say and Hemmings.

SCRep. 372 Judiciary and Labor and Public Employment on H.B. No. 1315

The purpose of this bill is to implement Chapter 368, HRS, which created a Civil Rights Commission to provide a uniform procedure for handling all types of discrimination complaints and to more effectively enforce the State's discrimination laws.

Currently, several state agencies, with enforcement powers, are authorized to receive discrimination complaints from the public. These agencies include the Department of Labor and Industrial Relations, the Department of Commerce and Consumer Affairs, the Department of Education, the Department of Health, the Hawaii Housing Authority, and the Department of Human Services. Each of these agencies has a primary role in the organization of the State government. Enforcement of discrimination laws is not one of the primary responsibilities of any of these agencies. Accordingly, enforcement is fragmented and fiscal and personnel resources are generally inadequate for effective enforcement of the State's discrimination laws.

In 1988, the Legislature enacted Act 219, S. L. H. 1988, (now chapter 368, HRS) establishing the Civil Rights Commission, and requested that the Legislative Auditor, with assistance from the legislative reference bureau, and affected state department and agencies and interested public groups to report on several concerns expressed by the legislature.

This bill intends to implement some of the recommendations of the Legislative Auditor contained in its study on the implementation of the Civil Rights Commission for the State of Hawaii, and to establish a strong and viable commission with sufficient staffing, funding and enforcement powers to effectuate the State's commitment to preserving the civil rights of all individuals.

As noted in the Legislative Auditor's study, there are fifteen state departments, including the Office of the Governor and the Lieutenant Governor with jurisdiction over 50 anti-discrimination laws. This bill, however, addresses three major areas of discrimination for placement under the jurisdiction of the Civil Rights Commission. The areas are covered by Part I of chapter 378, HRS, relating to employment practices; chapter 489, HRS, relating to discrimination in public accommodations; and chapter 515, HRS, relating to discrimination in real property transaction.

The bill retains the list of prohibited discriminations contained in chapters 378, 489 and 515, HRS, and deletes the different enforcement procedures in each of these chapters. A uniform procedure applicable to each of the three chapters is set up in the bill.

The procedure is designed to provide a forum which is accessible to any one who suffers an act of discrimination. The bill authorizes the commission and the attorney general as well as an individual aggrieved by a violation of the discrimination laws, to initiate a discrimination complaint, and the commission is required to commence an investigation and proceed to a resolution of the complaint by appropriate administrative or judicial methods.

The individual aggrieved by an unlawful discrimination may be allowed to file a lawsuit by the commission prior to an administrative proceeding, and the commission may join in the lawsuit.

For most cases, the complaint will be resolved by conciliation initiated by the commission, and if not, the matter may be submitted to an administrative hearing. From a decision at the administrative hearing, either party has a right of appeal to the circuit court. The appeal is to be reviewed de novo by the court.

The bill lists the remedies that are available and includes compensatory and punitive damages. Additional powers are accorded the commission and the commission is authorized to appoint an executive director, attorneys, hearings examiners, investigators and other support personnel.

Your Committees heard testimony from numerous interested groups and individuals and each one supported the bill. Several amendments, both substantive and technical were suggested in testimony. Your Committees have considered the many proposed amendments and has incorporated most of them in the bill.

Your Committees are aware of other Hawaii laws on discrimination based on race, sex, marital status, national origin, or physical handicap, including laws relating to accommodation of the blind and physically handicapped persons in public places and public conveyances; discrimination in jury service and in lease covenants. Your Committees believe that the initial intent of the bill to address discrimination complaints in employment, public accommodations, and in real estate transactions, should not be amended at this time. However, your Committees believe that these other important anti-discrimination laws should be reviewed by the department of labor and industrial relations with the intention of bringing complaints arising under these laws under the jurisdiction of the civil rights commission.

Section 1 of the bill has been amended to provide a minimum qualification requirement for the selection of commission members to assure a civil rights commission committed to the task for which it was established.

While no compensation for the commissioners is authorized, the members are given a per diem and travel expenses.

The reference to chapter 378 was amended to read "part I of chapter 378" to make it clear that the commission's jurisdiction is limited to unlawful discrimination practices. In addition Section 378-6 which was deleted in the original bill was retained as recommended by the department of labor and industrial relations.

Your Committees also made several other amendments to strengthen the enforcement of civil rights by the commission.

As the commission's ability to enforce civil rights in the State cannot be accomplished without adequate funding and staffing, your Committees believe that such funding and staffing must be provided for in this bill. Accordingly, Section 7 has been amended to provide for \$441,000 for fiscal year 1989-1990, and \$1,404,520 for fiscal year 1990-1991.

In order to assure a smooth transition between current enforcement jurisdiction by the department of labor and industrial relations and department of commerce and consumer affairs to the civil rights commission, your Committees have amended Section 9 of the bill to provide guidance for the establishment of the commission and transition plans.

Your Committees on Judiciary and Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1315, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1315, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Kotani, Okamura, Tajiri, Tom, Yoshimura and Marumoto.

SCRep. 373 Judiciary on H.B. No. 552

The purpose of this bill is to increase the number of associate judges of the intermediate court of appeals (I.C.A.) from two to four.

Your Committee has received favorable testimony from the Judiciary indicating that increasing the number of judges at the I.C.A. from three to five will allow that court to sit in panels of three of the five judges, enabling the I.C.A. to better handle the increased number of appeals filed.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 552 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 374 Judiciary on H.B. No. 554

The purpose of this bill is to provide for the establishment of an intensive supervision program for illegal drug offenders within the judiciary.

Your Committee has heard testimony indicating that a majority of persons arrested for non-drug offenses are found to be illegal drug users as well. Testimony received further indicated that intensive supervision programs in other states have resulted in reduced incidence of crime by targeting high risk offenders for supervision.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 554 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshimura.

SCRep. 375 Judiciary on H.B. No. 555

The purpose of this bill is to exempt from civil service classification: (1) one additional law clerk each to the civil administrative judge of the first circuit court, the civil motions judge of the first circuit court, the criminal motions judge of the first circuit court and two law clerks for the administrative judge of the district court of the first circuit; (2) one secretary or clerk for the administrative judge of the district court of the first circuit; and (3) make clear that the administrative director of the courts and the deputy administrative director of the courts are considered to be a "department head", and "deputy" respectfully, and that their personal secretaries are therefore exempt from civil service classification.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 555 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 376 Labor and Public Employment on H.B. No. 1362

The purpose of this bill is to allow public employers to provide government records necessary for the exclusive collective bargaining representatives to perform their functions.

Your Committee supports efforts which will allow the exclusive bargaining representatives to properly represent the public employees. The exclusive representatives need access to certain information concerning government positions and employees contained in government personnel and payroll records in order to carry out their fiduciary functions.

At the same time, your Committee upholds the constitutional rights of privacy of individuals and does not intend to infringe upon those rights.

Upon further consideration, your Committee has amended the bill to establish safeguards for the dissemination and use of the information by subjecting the bargaining representative to the same restrictions on the disclosure of records as the originating agency. Your Committee further has amended the bill to ensure that the information sought by the representatives is relevant to their function by deleting certain information such as social security numbers and employee identification numbers from being revealed. A new subsection has also been added to require that the information which can be accessed by the representatives be in a form conducive to electronic data processing. Other amendments to the bill have been made for purposes of style and clarity.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1362, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 377 Labor and Public Employment on H.B. No. 1306

The purpose of this bill is to make investigators of the narcotics enforcement division of the Department of the Attorney General, who begin employment after June 30, 1984, class A (contributory) members of the Employees' Retirement System. The bill also authorizes them to receive the same retirement benefit allowances which police officers receive.

Your Committee has amended this bill to include a definition of "narcotics enforcement officers." Narcotics enforcement officers perform many of the same tasks carried out by police officers. They are exposed to many of the same occupational hazards police officers confront. Thus, narcotics enforcement officers should be treated like police officers for purposes of pension and retirement benefits.

Your Committee notes that since police officers contribute a greater percentage of their pay into the Retirement System versus general employees in order to receive increased retirement allowance benefits, contributions from narcotics enforcement officers should be increased to equal the percentage contributed by police officers into the Retirement System. Thus, your Committee has amended this bill to provide for increased contributions from narcotics enforcement officers.

The bill in its present form could be read to allow a class C narcotics enforcement officer who first entered service after June 30, 1984 the choice between becoming a class A member or remaining a class C member. Your Committee believes that all class C narcotics enforcement officers who first enter service after June 30, 1984 are to become class A members. At the same time, officers who were class A members prior to July 1, 1984 and elected to become class C members of the Retirement System as provided by section 88-271 should not be allowed to become class A members again, and thus should remain class C members. Your Committee has amended this bill to reflect its resolution of the aforementioned issues.

Further, all investigators in the Department of the Attorney General are subjected to the same kinds of occupational hazards as police officers, and therefore deserve the same kind of retirement protection. Therefore, your Committee has amended this bill to make all class C investigators of the Department of Attorney General (except those who were class A members before July 1, 1984 and chose to become class C members pursuant to section 88-271) class A, contributory members of the Retirement System.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 378 Labor and Public Employment on H.B. No. 75

The purpose of this bill is to enforce by legislation the right of the people to privacy and to be secure in their persons against unreasonable searches, seizures, and invasions of privacy, as provided in Sections 6 and 7 of Article I of the Hawaii Constitution by establishing limitations on employer actions in testing for drugs and in conducting searches of the employees.

The bill amends Chapter 378, HRS, on Employment Practices by adding a new part entitled "Employee Privacy". The operative provisions of the bill prohibits employers from requiring drug testing or body searches as a condition of continued employment or as a prerequisite for employment with the company. The bill allows drug testing if the drug test is to be conducted on a specific employee that the employer reasonably believes may be mentally impaired on the job; that the impairment presents, or may present a clear and present danger to others; and the employer provides the employee or applicant the opportunity to have the test sample evaluated by an independent laboratory.

An employee may be subjected to a search by the employer if the employer has reasonable grounds to believe that a specific employee is in possession of unlawful substances on the employer's premises, or that a crime is being committed,

or that the employee is impaired in his performance of the employee's duties and responsibilities and presents a clear and present danger to the physical safety of another.

Random testing for drugs and random searches, without exception, are prohibited.

The bill allows employers to conduct medical screening to monitor exposure to toxic substances in the work place, and to prohibit the use of intoxicating substances during working hours.

Disclosure of test results to persons other than the affected employee is prohibited except under specific enumerated situations.

Enforcement of the bill's intent is aided by placing the burden of proof on employers charged with violating the law to show that the requirements on drug testing have been complied with.

Your Committee believes that federal law which requires certain employers to establish drug testing programs under strict federal guidelines for those employees in positions specifically targeted by federal law do not prohibit the State from enacting legislation which protects employees and applicants who are not in those jobs which are covered by the federal requirements. To make it clear that the bill does not and is not intended to place employers with employees required by federal law to be tested for drugs in the predicament of attempting to comply with conflicting federal and state laws, a specific exception to the prohibition against drug testing has been included in the bill. The exception is intended to allow employers who are required by federal law to establish drug testing programs for those employees required to be drug tested to comply with the requirements of the bill as to only those employees that are not required by federal law to be tested for drugs. In this way the integrity of the bill's intent, to preserve and protect the right of privacy will be maintained, while removing the predicament faced by employers that may be subject to the federal drug testing laws.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 75, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 75, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Baker.

SCRep. 379 Labor and Public Employment and Human Services on H.B. No. 74 (Majority)

The purpose of this bill is to create a more stable and healthy workforce by establishing a protective employment environment which encourages employees to take time off to care for their newborn, ill or handicapped children and aged and infirmed parents, and by requiring employers to recognize these needs of their employees.

The timing of this bill coincides with increases, particularly in Hawaii, of working parents and children, caught between the conflicting demands of job security and the need to provide a sense of well-being and care for their children and parents.

The intent of this bill is to reasonably reduce the often stressful and conflicting demands by allowing employees, without threats or perceived threats of losing their jobs, to take a leave of absence from their jobs for specified reasons, which include leaves to care for a newborn or newly adopted child, and to care for a son, daughter or parent who has a serious health condition. The leave may be with pay if the employee has accrued sufficient paid leave or without pay for a period not longer than twenty-four weeks. The leave allowed in this bill may be combined with temporary disability leaves permitted under the Temporary Disability Insurance law for pregnancies for a maximum leave of not more than 36 weeks in any twelve month period.

Employees who elect to take a leave of absence for child or parental care purposes are allowed to return to their employment or equivalent employment without loss of any employee benefits which the employee had accrued prior to taking the leave. The employee does not accrue any employment benefits during the period of his leave of absence.

The bill makes it unlawful for any employer to discriminate in any way against employees or otherwise discourage employees from exercising their right to a leave of absence for the stated purposes, and against any individual who supports or otherwise takes any lawful action to enforce the intent of the bill.

The Director of Labor and Industrial Relations is given jurisdiction to administratively resolve any problems that may arise under the provisions of this bill, and powers to carry out the intent and purpose of the bill.

The bill also provides that public officers and employees who qualify would be entitled to the same leave of absence as given under the bill.

Testimony received by your Committees indicate that both technical and substantive amendments are called for in the bill.

As presently worded, the leave of absence provided in this bill do not apply to employees of any facility of an employer with less than fifty employees. The fifty employees include all employees, including newly hired employees and employees in all branches or establishments of the organization. An ambiguity is created in determining which employees are included in the "fifty" employees count by the definitions of "employee", "employment" or "employed" contained in the bill, each of which excludes a number of different types of services performed by individuals for money or money's worth.

Your Committees have amended the definitions of "employee", "employer" and "employment" or "employed" to make it clear that all employees are counted in determining whether or not an employer is covered by the bill's provisions. The definitions as amended are as follows:

"Employee" means an individual who performs services for hire for an employer.

"Employer" means any individual or type of organization, including the State, any of its political subdivisions, any instrumentality of the State or its political subdivisions, any partnership, association, trust, estate, joint stock company, insurance company, or corporation, whether domestic or foreign, or receiver or trustee in bankruptcy, or the legal representative of a deceased person.

"Employment" or "employed" means service, including service in interstate commerce, performed for wages under any contract of hire, written or oral, express or implied, with an employer.

Concurrently, Section -2 was amended to clarify the "fifty" employee count. Section -4 was amended to provide that employees with not less than 14 weeks of consecutive employment with an employer from whom benefits are sought shall be entitled to family leave.

Inasmuch as a part of the bill's intent is to encourage the care of the elderly, as well as the very young, your Committee has amended the definition of "parent" to expand it to include grandparents and grandparents-in-law.

Sec. -3(9) has been amended by deleting the provision relating to services performed by students, and Sec. -3(14) has been amended by deleting the provision relating to student nurses.

Section 3 of the bill which extends the bill's benefit to public employees and officers has been amended to make it clear that the family leave benefits provided in the bill is not intended to replace any current public employee benefits under Chapter 79, HRS. The family leave benefit is in addition to all current public officer and employee benefits.

Finally, your Committee has amended Section 4 of the bill by increasing the amount of the appropriation by \$5,000.00 and changing the fiscal year to read "1989-1990".

Your Committee on Labor and Public Employment and Human Services are in accord with the intent and purpose of H.B. No. 74, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Leong, Okamura and Liu.
(Representative Cavasso did not concur.)

SCRep. 380 Judiciary on H.B. No. 563

The purpose of this bill is to increase the number of certain positions allotted to the State Judiciary commensurate to its workload.

At the present time, section 77-13 HRS, provides for only one position in the SC-1, SC-2, and SC-3 salary range in the Judiciary. The State is currently allowed sixteen and each county eight positions.

Your Committee finds that the workload of the Judiciary being at least comparable in size to that of the Counties, the proposed position increase is justified.

Your Committee received testimony in support of this measure from the Hawaii State Judiciary.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 563 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 381 Judiciary on H.B. No. 43

The purpose of this bill is to establish a Center of Alternative Dispute Resolution ("Center"), making alternative dispute resolution ("ADR") a permanent feature of State Government. The center's function would be to resolve complex civil disputes involving state agencies.

Your Committee has heard testimony from the State Judiciary indicating that using ADR to resolve disputes reduces and often avoids the costs of litigation and reduce the burden on the court system. Testimony of the State Judiciary further indicated that the center would address a limited number of large, complex cases that would impart on government operations or be of public interest.

Your Committee also received testimony from a representative of the Department of the Attorney General, who expressed concern that this bill may be misconstrued to grant the Attorney General the authority to settle and compromise claims against the state that are presently not actionable due to the state's sovereign immunity as set forth in HRS 661 and 662.

Your Committee has therefore amended this bill to make clear that the state's sovereign immunity shall not be diminished by the establishment of the center. Your Committee has further amended this bill by making numerous technical and non substantive amendments for the sake of clarity and style.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 43, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 43, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 382 Judiciary on H.B. No. 189

The purpose of this bill is to appropriate funds to the programs of the Judiciary for the 1989-91 fiscal biennium.

OVERVIEW

The evolution of the Hawaii Judiciary into a nationally recognized, modern, independent, and unified court system comes from a strong constitutional and statutory base. Your Committee believes that the State should continue to pursue the ideals of an efficient, unified, and independent judicial system and in doing so, has attempted to satisfy the requests of the Judiciary within the constraints of prudent fiscal responsibility. Your Committee has endeavored to evaluate program needs through an exhaustive investigation of facts and figures, with special consideration given to the report to the Governor and the Legislature by the Legislative Auditor of the State of Hawaii, entitled "Management and Financial Audit of the Judiciary of the State of Hawaii." On the basis of this concerted effort, an attempt was made to establish responsible appropriations while meeting the significant needs of the people of this State.

DISCUSSION

In reviewing the details of the Judiciary budget, your Committee found that many requests lacked full substantiation. The reductions recommended by your Committee will bring the Judiciary request to more prudent fiscal levels.

Your Committee has provided positions to enable the Judiciary to begin to meet the growing demands of the organization. In order to rectify recruiting and retention problems permanent positions and funds have been provided in critical service areas in the District and Family Courts.

Your Committee finds that there continues to be a lack of technical leadership and accountability in the management of the Judiciary's information systems. The importance of automation and management information systems to the success of a dynamic and growing court system mandates a significant investment in computer resources. To ensure prudent fiscal decisions, a position of authority and responsibility needs to be created with the necessary technical and managerial expertise to:

- (1) Establish policies and priorities;
- (2) Develop a detailed tactical plan that identifies priority projects, the resources required to accomplish those projects, realistic and specific time frames for project work, and the project management structures to be used to accomplish the work;
- (3) Establish effective management structures and controls for each project;
- (4) Establish an appropriate "architecture" that optimally meets the needs of users; and
- (5) Establish procedures for systematically evaluating commercial software packages.

To this end, your Committee has funded a position of chief information officer with primary authority for information systems development and administration.

Your Committee is disturbed by what appears to be significantly increasing requests for purchases of services under the Family Court (JUD 112) without established procedures and criteria for cost/benefit assessment. Your Committee recognizes that the increasing need for services must often be satisfied by private organizations, but it is imperative that adequate assurances be put in place to measure the value and efficiency of the various programs. To this end, your Committee is requiring the Judiciary to provide for the formal documentation of cost/benefit criteria to measure the effectiveness and efficiency of purchase of services.

There are four Judiciary Capital Improvement Projects in progress, Hilo judiciary complex, Family Court Center, Koolaupoko District Court, and the remodeling of facilities throughout the State. Development of four additional projects will be planned for West Hawaii (Kona), Kauai, Molokai, and Oahu (Wahiawa). These projects are scheduled for development in accordance with the judiciary long term facility master plan. This master plan was the result of a comprehensive study made by Carter Goble Associates. The sum of \$46.3 million is budgeted for these projects.

In summary, your Committee on Judiciary has amended this bill to carry out the aforementioned recommendations, including the addition of provisions deemed necessary to further clarify and restrict the intent of specific appropriations.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 189, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 189, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Amaral, Hirono, Okamura and Yoshimura.

SCRep. 383 Judiciary on H.B. No. 1681

The purpose of this bill is to appropriate funds from the general revenues of the State for the construction of a firearms training facility including a shooting range for state law enforcement agencies.

Your Committee heard testimony from the department of land and natural resources in support of this measure and finds such a facility would enhance the law enforcement capabilities of our state.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1681 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384 Judiciary on H.B. No. 873

The purpose of this bill is to assist the voters of this State in making informed decisions regarding proposed initiative or referendum issues; and constitutional and charter amendments.

The bill would add a new section to chapter 11, HRS, to require the Office of the Lieutenant Governor to prepare and distribute informational pamphlets describing each ballot issue with objective pro and con arguments.

The bill also provides for the appropriation of funds for this purpose.

Your Committee heard testimony in support of this measure from a representative of the Office of the Lieutenant Governor.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 873 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385 Judiciary on H.B. No. 1159

The purpose of this bill is to implement an anatomical gift designation system by amending section 286-109.5, HRS.

This bill would allow the examiner of drivers to ask applicants for driver's license or license renewal, for certain information on organ donation. A method is to be devised whereby a code is directly imprinted onto the license if a driver is an organ donor.

Your Committee received testimony in support of this measure and finds that the measure will increase donor awareness, facilitate donation and recovery of tissues and organs for transplantation.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1159 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 386 Judiciary on H.B. No. 1150

The purpose of this bill is to: (1) amend Section 711-1106, Hawaii Revised Statutes, to include compulsive sexual behavior such as "peeping tom" activities within the scope of the offense of harassment, and (2) appropriate funds to the Judiciary for the provision of mental health or other treatment as deemed necessary to those who are convicted.

While your Committee is in agreement with the intent of the bill, it finds that current statutory provisions in the penal code sufficiently address the criminal acts under consideration. Your Committee also finds, however, that the amount proposed for expenditure by the Judiciary for providing treatment is appropriate.

Accordingly, your Committee has amended the bill by:

- (1) Amending the statement of purpose in Section 1 to reflect the change in the thrust of the bill to emphasize treatment;
- (2) Deleting Section 2, which proposes to include compulsive sexual behavior within the scope of the offense of harassment;
- (3) Renumbering succeeding sections for purposes of consistency;
- (4) Deleting the statement of the effect of ramseyering; and
- (5) Changing the effective date of the bill from the approval date to July 1, 1989.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Yoshimura.

SCRep. 387 Judiciary on H.B. No. 919

The purpose of this bill is to amend chapter 351, HRS, relating to criminal injuries compensation.

The bill attempts to improve the current compensation process in several ways. In section 1, two important definitions - "designated persons" and "resident", are added while the existing definition of "victim" is further clarified. Inclusion of the definition of "designated persons" would provide guidance to the commission in following the provision requiring victims to be notified of their right to have payments from their award given to someone so designated. A new definition of "resident" would facilitate the proposed expansion of the definition of "victim" to include any resident who is injured or killed in another state not having a crime victim compensation program.

Section three of the measure would increase the compensation of the commission and the chairperson, while section four creates an administrative review procedure to determine the proposed awards.

Significantly, this measure proposes to provide for full compensation of victims of motor vehicle crimes and domestic violence. As for applications submitted beyond the eighteen month time limit, this measure would allow the commission to consider the same upon a showing of good cause.

Your Committee received testimony in support of this measure from the administrator of the Criminal Injuries Compensation Commission as well as the Director of the Victim/Witness Kokua Services.

Your Committee however, has amended the bill by retaining the current three memberships of the commission. Moreover, your Committee finds the current statutory provisions relative to the qualifications of commissioners to be satisfactory, but that the compensation of each commissioner should be augmented. Your Committee has further amended this bill to correct certain typographic, technical and stylistic errors.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 919, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 388 Judiciary and Human Services on H.B. No. 1225

The purpose of this bill is to provide various sums for: (a) the expansion of home-based services to troubled youth to be expended by the Department of Human Services in the fiscal biennium 1989-1991; (b) substance abuse treatment programs to be expended by the Department of Health in fiscal year 1990-1991; (c) staff training and development to be expended by the Department of the Attorney General for the fiscal biennium 1981-1991; (d) independent living programs and for development of a classification system for juvenile offenders to be expended by the family court of the circuit court of the first circuit in fiscal biennium 1989-1991 and (e) substance abuse treatment, outreach services and the operation of a high-control shelter to be expended by the family court of the circuit court of the second circuit.

Your Committee has received favorable testimony from some of the agencies affected by this bill.

Your Committee has amended this bill by deleting the sums requested and replacing said sums with the amounts \$2.00 for each fiscal biennium and \$1.00 for each fiscal year.

Your Committees on Judiciary and Human Services are in accord with the intent and purpose of H.B. No. 1225, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1225, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Ihara Chang, Duldulao Kawakami, Leong, Tam and Liu.

SCRep. 389 Judiciary on H.B. No. 976

The purpose of this bill is to amend section 621-7, HRS, to clarify and increase the amount of compensation paid to witnesses in criminal cases.

The bill increases the per diem allowance paid to witnesses under from \$10 to \$20. The allowance paid to witnesses traveling from one island to another island would be increased from \$12 to \$55. The bill additionally amends the section to include out-of-state witnesses, who would receive a \$110 per diem payment. The bill further specifies that per diem payments be computed on the basis of quarter-day time periods.

Your Committee received testimony in support of this measure from the Director of the Oahu Victim/Witness Kokua Services.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 976 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Okamura and Yoshimura.