

STANDING COMMITTEE REPORTS

SCRep. 1-90 Labor and Public Employment on H.B. No. 2138

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost salary adjustments negotiated between the state and the exclusive representative of collective bargaining unit 7 for 1989-91 and 1991-93 fiscal bienniums.

Negotiations with the exclusive representative of bargaining unit 7 were not completed in time for a submittal to be made to the legislature during the regular session of 1989. The intent of this Act is to provide the necessary authorizations and appropriations to allow for the implementation of pay raises on July 1, 1989, July 1, 1990, July 1, 1991, July 1, 1992 and for increases in other cost items effective July 1, 1989.

Your Committee received favorable testimony from the Department of Budget and Finance, Office of Collective Bargaining and from the University of Hawaii Professional Assembly.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2138 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 2-90 Labor and Public Employment on H.B. No. 2139

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost salary adjustments negotiated for employees excluded from collective bargaining unit 7 for the 1989-91 and 1992-93 fiscal bienniums.

Negotiations with the exclusive representative of bargaining unit 7 were not completed in time for a submittal to be made to the legislature during the regular session of 1989. The intent of this Act is to provide the necessary authorizations and appropriations to allow for the implementation of pay raises on July 1, 1989, July 1, 1990, July 1, 1991, July 1, 1992 and for increases in other cost items effective July 1, 1989.

Your Committee heard favorable testimony from the Department of Budget and Finance and the office of collective Bargaining.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2139 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 3-90 Education on H.B. No. 2137

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six who could be without the supervision of an adult after the end of the instructional school day as a result of parental employment.

The Superintendent of Education, the Lieutenant Governor, The Office of Children and Youth, the Hawaii State Teachers Association and many other groups and individuals testified in favor of this bill.

The Superintendent of Education testified that the appropriation of \$5,655,000 represents the gross cost of this pilot program, which is scheduled to begin on February 5, 1990. About \$1.6 million of revenues from program fees and federal snack reimbursements is projected. These revenues will be deposited directly into the general fund and will, in effect, offset a portion of program costs, resulting in a net cost of \$4,055,000.

Participation in this pilot program is limited to students enrolled in kindergarten through grade six who come from households headed by a single parent or two parents who work during all or a portion of the period that the program is in session. A non-refundable fee of \$23 is payable in advance each month. The fee will be waived for students who qualify for free or reduced school lunch.

Hours of operation are from the close of the regular school day until 5:30 p.m. or a time determined by the Department. A five dollar late pick-up fee is to be assessed for every fifteen minute interval after the official daily closing time that a child is picked up late. Your committee amended this bill to give the site coordinator discretion in assessing the fee on a case-by-case basis.

Your Committee finds that this program has been planned to meet the needs of parents who work during the time their children are out of school after the regular school day. We believe, however, that the primary purpose of this program is to increase educational opportunities for public school students, and that programs which are mainly designed for childcare should be administered by the Department of Human Services. Section 1 of this bill has been amended to reflect our belief that this pilot program should be an educational program, rather than a merely an supervision program.

Although your Committee discussed the means of financing this program, for example, the possible use of federal impact aid funds, we will defer to the Committee on Finance for a resolution of this question and other matters more properly in the jurisdiction of that committee.

Your Committee has amended this bill to correct technical drafting errors.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2137, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2137, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Apo, Bunda, Hashimoto, Hirayama, Taniguchi and O'Kieffe.

SCRep. 4-90 Finance on H.B. No. 2138

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items, including the cost salary adjustments negotiated between the State and the exclusive representative of collective bargaining unit 7 for the 1989-91 and 1991-93 fiscal bienniums.

Negotiations with the exclusive representative of bargaining unit 7 were not completed in time for a submittal to be made to the legislature during the regular session of 1989. The intent of this Act is to provide the necessary authorizations and appropriations to allow for the implementation of pay raises on July 1, 1989, July 1, 1990, July 1, 1991, July 1, 1992, and for increases in other cost items effective July 1, 1989.

Your Committee received favorable testimony from the Department of Budget and Finance, Office of Collective Bargaining and University of Hawaii Professional Assembly.

Your Committee has amended the bill by adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit for fiscal year 1989-1990 to comply with statutory and constitutional requirements. Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2138, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2138, H.D. 1.

Signed by all members of the Committee except Representatives Duldulao, M. Ige and Marumoto.

SCRep. 5-90 Finance on H.B. No. 2139

The purpose of this bill is to provide fund authorizations and appropriations for salary adjustments and other cost items for employees excluded from collective bargaining unit 7 for the 1989-91 and 1991-93 fiscal bienniums.

Section 89-2, Hawaii Revised Statutes, stipulates that the compensation, laws, terms, and conditions of employment, and other benefits for public officers and employees who are excluded from collective bargaining shall be adjusted by the chief executive of the State, the Board of Education, the Board of Regents, or the Chief Justice, as applicable. Further, Section 89C-5, Hawaii Revised Statutes, stipulates that any adjustments that constitute cost items shall be subject to appropriation by the Legislature. The intent of this Act is to provide the necessary authorizations and appropriations to allow for the implementation of pay raises for those employees excluded from collective bargaining unit 7 on July 1, 1989, July 1, 1990, July 1, 1991, July 1, 1992, and for increases in other cost items effective July 1, 1989.

Your Committee heard favorable testimony from the Department of Budget and Finance and the Office of Collective Bargaining.

Your Committee has amended the bill by adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit for fiscal year 1989-1990 to comply with statutory and constitutional requirements. Technical, nonsubstantive changes have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2139, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2139, H.D. 1.

Signed by all members of the Committee except Representatives M. Ige and Marumoto.

SCRep. 6-90 Finance on H.B. No. 2137

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide an affordable and quality after-school educational program for students enrolled in kindergarten through grade six who could be without the supervision of an adult after the end of the instructional school day as a result of parental employment.

The Superintendent of Education, the Lieutenant Governor, the Office of Children and Youth, the Hawaii State Teachers Association, and many other groups and individuals testified in favor of this bill.

The Superintendent of Education testified that the appropriation of \$5,655,000 represents the gross cost of this pilot program, which is scheduled to begin on February 5, 1990. About \$1.6 million of revenues from program fees and federal snack reimbursements is projected. These revenues will be deposited directly into the general fund and will, in effect, offset a portion of program costs, resulting in a net cost of \$4,055,000.

Participation in this pilot program is limited to students enrolled in kindergarten through grade six who come from households headed by a single parent or two parents who work during all or a portion of the period that the program is in session. A non-refundable fee of \$23 is payable in advance each month. The fee will be waived for students who qualify for free or reduced school lunch.

Hours of operation are from the close of the regular school day until 5:30 p.m. or a time determined by the Department. A five dollar late pick-up fee may be assessed for every fifteen-minute interval after the official daily closing time that a child is picked up late.

Your Committee has amended the bill by adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit for fiscal year 1989-1990 to comply with statutory and constitutional requirements. Technical, nonsubstantive changes have also been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2137, H.D. 2.

Signed by all members of the Committee except Representative Marumoto.

SCRep. 7-90 Finance and Education on S.B. No. 2330

The purpose of this bill is to establish a statewide pilot after-school program in the public schools to provide affordable and quality after-school supervision for students enrolled in kindergarten through grade six who could be without the supervision of an adult after the end of the instructional school day as a result of parental employment.

The Superintendent of Education and others have testified in favor of this bill.

Your Committees find that the appropriation of \$5,655,000 represents the gross cost of this pilot program, which is scheduled to begin on February 5, 1990. About \$1.6 million of revenues from program fees and federal snack reimbursements is projected. These revenues will be deposited directly into the general fund and will, in effect, offset a portion of program costs, resulting in a net cost of \$4,055,000.

Participation in this pilot program is limited to students enrolled in kindergarten through grade six who come from households headed by a single parent or two parents who work during all or a portion of the period that the program is in session. A nonrefundable fee of \$23 is payable in advance each month. The fee will be waived for students who qualify for free or reduced school lunch.

Hours of operation are from the close of the regular school day until 5:30 p.m. or a time determined by the Department. A five dollar late pick-up fee may be assessed for every fifteen minute interval after the official daily closing time that a child is picked up late.

Your Committees feel that this program has been planned to meet the needs of parents who work during the time their children are out of school after the regular school day. At the same time, the Department of Education has demonstrated that extensive educational materials will be used in this program. We believe that this program should provide significant educational content for public school students.

Your Committees on Finance and Education are in accord with the intent and purpose of S.B. No. 2330, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hemmings and Marumoto.

SCRep. 8-90 Finance on S.B. No. 1

The purpose of this bill is to authorize funds for the expenses of the Legislature up to and including June 30, 1991, and for the expenses of the legislative support agencies during the 1990-1991 fiscal year.

SENATE AND HOUSE OF REPRESENTATIVES

Your Committee finds that the amounts appropriated for the House and the Senate are necessary to meet operating costs of the Legislature and to improve public access to the legislative process.

Your Committee received testimony in support of this bill from Common Cause, who also spoke on behalf of the American Association of University Women, the Legislative Concerns Committee of the Hawaii Council of Churches, and the League of Women Voters of Hawaii; Public Affairs Consultants; the State Ethics Commission; the Office of the Auditor; and the Office of the Ombudsman.

Common Cause noted that improvements to the legislative process would increase costs but that "increased public access is worth the added expense." Public Affairs Consultants testified that the increases were due in response to public concerns regarding access to the legislative system and noted that "the value of the increased expenditures at this time will become more and more apparent as the years go by."

Your Committee finds that democracy demands an open relationship between citizens and their elected officials. However, democracy cannot function properly unless the people are afforded the greatest opportunity to voice their

concerns and participate in the decision-making process. The Legislature, out of the three branches of government, relies most heavily on direct public input. With the growth, complexity, and volume of legislation and the hectic pace of the 60-day legislative session, it is imperative that the Legislature be properly equipped and staffed to provide timely information to the public and encourage public participation. Your Committee agrees that the Legislature must upgrade the communication system and implement other changes to ensure public access to the legislative process. And your Committee finds that the appropriations contained in this bill will continue our commitment to increased public involvement in our legislative process.

Your Committee agrees with the testimony of Common Cause:

"Part time legislators need full time staff to accommodate their constituents year round. Full time staff will be costly. But the benefit of having continuity of staffing should improve the overall management of the Legislature and increase the service capability of individual lawmakers."

The National Conference of State Legislatures noted that Hawaii led the nation in its heavy reliance on part-time, seasonal staffing or borrowed employees from the executive branch. Your Committee finds that the Legislature requires improved staffing to provide efficient, responsive service to the Legislature, individual members, legislative committees, and the public. As a result, each legislator will be able to respond to requests from their constituents and the general public and handle all committee support needs on a year-round basis by utilizing top-level office management staff. In addition, your Committee finds that staff salary ranges must be competitive with the Executive branch and the rest of State government in order to recruit and retain professional, competent levels of legislative staff.

Your Committee has approved the appropriation of \$500,000 to the Senate and \$500,000 to the House of Representatives for the purpose of defraying equipment, consultant, supplies, and other related expenses of the legislative information system, known as "SHADO." By way of a brief background, SHADO is an integrated data base software that is designed to incorporate all legislative functions, --- from bill drafting, Clerks' Office daily products, to bill status and final preparation of the printed volumes of the Hawaii Revised Statutes and Session Laws --- into one complete system, thereby minimizing the need for constant re-entry of the same data. The SHADO system was selected as the best choice for Hawaii's Legislature after an extensive study of computer systems in other state legislatures.

Your Committee finds that computer technologies can boost government productivity and offer cost-effective services that were not available in the past. In addition, by utilizing technological advancements in telecommunications and the information industry, public access to legislative information will be improved and will enable Hawaii's people to fulfill their responsibility of being active, informed participants in our democracy.

As noted by Common Cause:

"It is necessary for all elements of our state government to be state-of-the-art and that includes committing to acquiring the best possible equipment. Electronic communications are constantly evolving, so the commitment to high-tech is long-term. Changes will be made in the future and these costs must be accepted as a regular part of doing business in the 21st Century. Costs for computer hardware and software should, however, be partially offset in the future by decreases in paper costs as individual business and executive agencies take fewer hard copies of bills and overall effectiveness of the Legislature increases."

LEGISLATIVE AUDITOR

Your Committee approves the appropriation of \$1,899,383 to meet the basic operating budget of the Office of the Legislative Auditor. It should be noted that the amount includes funds for special studies and other purposes to be jointly determined by the Speaker of the House of Representatives and the President of the Senate.

STATE ETHICS COMMISSION

The appropriation of \$398,118 to the State Ethics Commission is likewise approved.

LEGISLATIVE REFERENCE BUREAU

Your Committee approves the appropriation of \$1,840,743 for the Legislative Reference Bureau.

OMBUDSMAN

And finally, your Committee approves the appropriation of \$925,122 for the Office of the Ombudsman. It is your Committee's understanding that the increases for this Office are due to the costs of a new computer system.

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

Signed by all members of the Committee except Representatives Horita and M. Ige.

SCRep. 9-90

Finance on H.B. No. 2164

The purpose of this bill is to extend the enabling legislation authorizing the issuance of special purpose revenue bonds under Section 39A-52, Hawaii Revised Statutes, by extending the sunset provision from June 30, 1991 to June 30, 1995.

The issuance of tax-exempt, low-interest special purpose revenue bonds has proved to be a popular method of financing health care facilities as it provides significant cost savings. The cost savings realized have benefited providers, consumers, and third-party payers of health care.

Your Committee finds that due to unforeseen financial difficulties, Pali Momi Medical Center was purchased by Kapiolani Health Care System in December 1989. It was converted to a not-for-profit institution and meets the need of the surrounding communities by providing health care services in a cost-effective manner.

Your Committee finds that by extending the sunset provision, Pali Momi Medical Center will be able to seek lower interest rates for major capital projects either through refinancing previous projects or seeking new financing for new projects. The direct benefits for the public are that the health care resources available to them will continue to be updated and renewed, and the attainment of the lowest cost of capital will help to moderate increases in health care costs.

Your Committee received testimony from Kapiolani Health Care System and the Healthcare Association of Hawaii in favor of the bill.

Kapiolani Health Care System further testified that their legal counsel and the State's bond counsel have reviewed the bill and suggested several technical amendments to reduce the amount of work required to be done without affecting the validity of the bonds. Your Committee has adopted their recommendations and made several technical amendments throughout the bill.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2164, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Horita and M. Ige.

SCRep. 10-90 Education on H.B. No. 2710

The purpose of this bill is to provide the schools with additional teaching positions that can be used flexibly by the schools to improve student learning.

The Board of Education, the Department of Education, the Office of Children and Youth, the Hawaii State Teachers Association, and others testified in favor of this measure.

Your Committee finds that the number of teaching positions allocated to the schools, as indicated by the class size ratios, are lower than the national average. If we expect the schools to compete with and to produce students achieving at higher levels than the schools in other states, and if we expect Hawaii's public schools to be among the best in the nation, then it is imperative that the Department of Education be given sufficient resources and support to do the job.

As a first step toward realizing this goal, the proposal is to provide the elementary schools with 232 more teacher positions in 1990-91. The 232 teacher positions were calculated based on a class size ratio for grades 2-6 at 24 to one. Although each school's allocation will be calculated using a class size ratio of 24 to one, the schools will be given the flexibility to use the positions in whatever manner they deem necessary to improve student learning. If facilities are immediately available, smaller classes is one option. Other options include trading off the teachers for educational assistants and part-time teachers to provide individualized assistance to students. This kind of flexibility is consistent with the concept of school/community-based management and decentralized decision-making. The only requirement is that the schools use the teaching positions to meet the unique needs of each child and thereby improve student learning.

It is your Committee's understanding that the Department of Education will develop a master plan for reducing the student-teacher ratio for kindergarten through the 12th grade.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2710 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, D. Ige, Tom and Hemmings.

SCRep. 11-90 Education on H.B. No. 2713

The purpose of this bill is to provide funds for general aides for the public schools.

The Department of Education, the Hawaii State Teachers Association, the Hawaii Government Employees Association, and several individuals testified in favor of this measure.

The public schools are faced with an increasing number of tasks which require part-time personnel, for example, calls to parents of absent children, breakfast and lunch supervision, clerical assistance, JPO supervision before and after school, and general campus patrol and security.

The schools find it difficult to accomplish these tasks with part-time personnel. Since few people are willing to work part-time for minimal wages, employee turnover is high, resulting in increased administrative, recruitment, and training costs.

Your Committee finds that a good solution to this problem would be to provide general aide positions that can be filled on a full-time basis to meet the varied needs of the school, provided that funding is in addition to that appropriated for the Board of Education's budget priorities.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2713 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bunda, D. Ige, Tom and Hemmings.

SCRep. 12-90 Education on H.B. No. 2211

The purpose of this bill is to appropriate \$28,500 for the purchase of the American and the Hawaii State flags to be displayed in all public school classrooms.

Your Committee received supporting testimony from the Department of Education, the Hawaii State Teachers Association, and the Hawaii Hotel Association. The testimony indicated that several community service groups may be willing to provide assistance for the purchase and installation of the flag holders. As a result, your Committee finds that the \$28,500 figure noted in the original bill is sufficient for the purchase of the state and national flags.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2211 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, Hashimoto, D. Ige and Taniguchi.

SCRep. 13-90 Education on H.B. No. 2716

The purpose of this bill is to propose a constitutional amendment which would require that at least 30% percent of the State general fund appropriation be earmarked for public schools.

The Department of Education and the Hawaii State Teachers Association testified in favor of this measure.

Your Committee finds that over the past 30 years, the percentage of the total general fund appropriations going to public education, from kindergarten to grade 12, has decreased from 30 percent to 17 percent. We believe that unless the public schools are given a much greater share in the resources of state government, educational services to public school students cannot reach a level of quality comparable with the quality provided students in other states and in Hawaii's private schools.

The passage of this bill, and the approval of this constitutional amendment, will send a clear message to the world that public education is the top priority of the people of Hawaii as we prepare our youth to be leaders of the 21st Century.

Your Committee amended this bill to correct a grammatical error.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2716, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bunda, Hashimoto, D. Ige and Taniguchi.

SCRep. 14-90 Health on H.B. No. 2143

The purpose of this bill is to provide funds to begin the Aloha Health Corps, as established by Act 337, SLH 1989.

Your Committee received testimony in support of this measure from the Department of Health and from the School of Public Health, University of Hawaii at Manoa. The Department of Health, however, did note that support of this bill would be only to the extent that it does not replace the Department of Health's current priorities as indicated in the Executive Biennium Budget.

The Department of Health testified that the Aloha Health Corps program is complementary to the Governor's Pacific Health Promotion and Development Center, and will promote and protect public health throughout the Pacific Basin and in Hawaii.

The School of Public Health reaffirmed their commitment to the program and noted that the Pacific Basin is very receptive to the idea of the Aloha Health Corps.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2143 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 15-90 Health on H.B. No. 2277

The purpose of this bill is to appropriate funds for the provision of a continuum of substance abuse services, including information, education, counseling, intervention, treatment, and rehabilitation.

Your Committee received testimony from the Hawaii Advisory Commission on Drug Abuse and Controlled Substances; the Departments of Human Services and Education; service providers; and concerned professionals and citizens. While overwhelmingly in support of the intent of the bill, this testimony indicated the following needs:

- (1) Provision of additional funds for existing services and programs on Oahu;
- (2) Support for existing programs that would otherwise lapse on June 30, 1990;
- (3) Establishment of more methadone services;
- (4) Support for more treatment slots on all islands for the Drug Addiction Services of Hawaii program;
- (5) Permanent rather than temporary status for positions created by the bill;
- (6) Coordination with the University of Hawaii regarding collection and evaluation of substance abuse data, and training for substance abuse professionals;
- (7) Collection of data on dual diagnosis of substance abuse and mental illness;
- (8) Construction of facilities to house substance abuse programs;
- (9) Support for self-help groups, particularly self-help groups for mentally ill substance abusers; and
- (10) Updating of the bill to incorporate requests set forth in the Governor's message dated January 24, 1990.

Your Committee also received testimony in favor of the bill from a former substance abuser who is now a peer educator at a public high school. This peer educator informed your Committee of his experiences with the program as well as the successful impact which the program has had on his friends and fellow students. Your Committee additionally received testimony from two individuals presently receiving treatment from the Drug Addiction Services of Hawaii program regarding the merits of that program and the invaluable service which the program's hotline provides to substance abusers.

After consideration of the foregoing testimony, your Committee has amended the bill as follows:

- (1) Appropriated moneys for the Baby Safe program for women of child-bearing age who are substance abusers or at-risk of becoming substance abusers;
- (2) Appropriated moneys for support of the residential treatment program for drug-exposed infants in Waianae, Oahu;
- (3) Directed that the peer education program collect data for the purpose of program evaluation;
- (4) Decreased the appropriation to the Hina Mauka Teen Care program to bring the dollar amount in closer accord with the Department of Health's original recommendation;
- (5) Appropriated moneys for adolescent residential substance abuse programs for the islands of Hawaii, Kauai and Maui;
- (6) Appropriated moneys for the establishment of three rather than five social detoxification/assessment and referral centers for adults at different sites throughout the State;
- (7) Increased the appropriation for the expansion and support of substance abuse programs and services on the island of Oahu;
- (8) Appropriated moneys for existing programs that would otherwise lapse on June 30, 1990;
- (9) Appropriated moneys for the establishment of an alcohol and substance abuse training network rather than a substance abuse education and training institute;
- (10) Established permanent rather than temporary positions at the Hawaii State Hospital and the Alcohol and Substance Abuse division of the Department of Health;
- (11) Included appropriations for the following capital improvement projects in order to create a complete package for substance abuse prevention, intervention, and treatment:
 - A. Construction of the Hina Mauka facility on the island of Oahu;
 - B. Purchase of land, design, and renovation or construction of two treatment facilities for drug-exposed babies and their mothers on the island of Oahu; and
 - C. Planning and design of one residential treatment facility for teenagers on the island of Maui;

- (12) Directed the Department of Health to require all programs to collect data on the incidence and prevalence of persons with dual diagnosis of substance abuse and mental illness;
- (13) Directed the Department of Health to earmark at least \$20,000 of the funds appropriated in sections 8 and 9 of the bill, as amended, to self-help programs for substance abusers who are also mentally ill; and
- (14) Made technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee is of the opinion that, as amended, this bill constitutes a comprehensive agenda in the fight against substance abuse. Your Committee is also of the opinion that this bill is an essential complement to the efforts of law enforcement.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 16-90 Higher Education and the Arts on H.B. No. 2272

The purpose of this bill is to support the state's efforts to increase participation in international activities by enhancing the core foreign language requirements at the University of Hawaii.

A knowledge of foreign language is important to support international trade in goods and ideas. In addition, learning other languages helps to expand a person's ability to see things in different ways.

The ability to communicate with others in their own language and to understand their culture, environment and attitudes is crucial for having access to the world at large.

Your Committee received testimony in favor of this measure from the University of Hawaii's Interim Vice President for Academic Affairs.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2272 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 17-90 Higher Education and the Arts on H.B. No. 2270

The purpose of this bill is to establish a cooperative education grants program at the University of Hawaii. The program will provide funding for administrative expenses incurred during the operation of the program.

The cooperative education program will enable students to receive valuable on-the-job training while helping to finance their education. It will also assist Hawaii's businesses, which currently face a labor shortage, recruit and retain university graduates who have received hands-on training.

Your Committee received testimony in favor of the bill from the University of Hawaii Director of Student Employment/Cooperation Education.

Your Committee has amended the bill by deleting Section 2 of the bill which establishes the cooperative grants program, because it was based on California's cooperative education grants legislation. Your Committee found it too difficult to amend the bill in such a way that would have made it consistent with Hawaii's higher education system. Your Committee also renumbered Sections 3, 4, and 5 of the bill to read Sections 2, 3, and 4.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2270, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 18-90 Human Services and Health on H.B. No. 2280

The purpose of this bill is to provide better prenatal and perinatal care services to promote the optimal health of pregnant women and ensure the best outcomes for all births by:

- (1) Facilitating access to prenatal care;
- (2) Providing incentives for pregnant women to use prenatal care;
- (3) Establishing a demonstration project to provide comprehensive perinatal services for the counties of Hawaii, Maui, and Kauai;

- (4) Increasing the medicaid reimbursement for deliveries to encourage medical providers to promote early pregnancy care; and
- (5) Supplementing the federal Women, Infants, and Children program to provide increased aid for pregnant women.

Your Committees received testimony supporting this measure from representatives of the Office of Children and Youth, the Department of Human Services, the Department of Health, the Hawaii State Commission on the Status of Women, the American College of Obstetricians and Gynecologists, the Kapiolani Medical Center for Women and Children, Hawaii Certified Nurse-Midwives, the American Association for University Women, Hawaii Healthy Mothers, the Healthy Babies Coalition, Hawaii Right to Life, and the Hawaii Medical Service Association.

Your Committees have amended this bill to ensure that the hotline service established in Section 2 will assist pregnant women and women of child-bearing age to inform them about early prenatal care as well as to help them access perinatal services.

Your Committees have further amended this bill to provide that the three-year demonstration project will provide incentives, rather than limiting the project to developing a coupon book.

In section 6 of the bill, "perinatal" was defined as the period from conception through the first year of life. To prevent confusion, this definition has been deleted.

Your Committees have also amended this bill by providing flat-rate medicaid reimbursements for perinatal services provided in conjunction with vaginal or caesarean deliveries at prevailing rates in the State of Hawaii. Additionally, the bill has been amended to apply the flat-rate reimbursement to services provided by nurse midwives as well as physicians.

The expending agency for appropriations provided for expanding eligibility under the federal Women, Infant, and Children (WIC) program has been changed from the Department of Human Services to the Department of Health because the Department of Health administers the WIC program.

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

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2280, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2280, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 19-90 Human Services on H.B. No. 2585

The purpose of this bill is to allow the donation of prepared food, canned food, and farm products to nonprofit organizations for distribution to needy persons.

Your Committee finds that this measure expands the definition of donor of food under chapter 145D, Hawaii Revised Statutes, to include food establishments. This would provide liability protection to restaurants, hotels, private clubs, and other food establishments that may want to donate prepared food to charities.

Your Committee received testimony in support of the intent of this measure from the Hawaii Food Industry Association and the Hawaii Foodbank.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2585 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 20-90 Human Services on H.B. No. 3190

The purpose of this bill is to increase reimbursement rates for the purchase of adult day care services.

Currently, approximately one out of every five state workers provides care to an elderly family member. In short, approximately 14.1 per cent of state workers have a need for adult day care services.

Your Committee finds that by raising the reimbursement rate for adult day care services, it is recognizing the importance of providing this service to older low-income residents who could not afford this cost, thereby stimulating more interest in developing this service in the community.

Testimony in support of the intent of this measure was received from the Executive Office on Aging, the Department of Human Services, and the Elderly Affairs Division of the City and County of Honolulu.

Based on the recommendations of the Department of Human Services, your Committee has amended this bill to delete reference to Title XX because federal funding does not determine the reimbursement rate.

Since adult day care is funded through purchase of service agreements and there is no direct payment to recipients, this measure has been further amended to indicate that reimbursement be made to qualified providers instead of recipients.

In addition, your Committee has increased the reimbursement rate to \$475. Accordingly, the appropriated amount has been increased to \$780,000 to enable 137 recipients of adult day care services to benefit from the increased rate.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3190, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 21-90 Human Services on H.B. No. 2511

The purpose of this bill is to increase the Medicaid eligibility standards for children up to age six to 133 percent of the federal poverty level.

Your Committee finds that with the passage of the Omnibus Budget Reconciliation Act of 1989 (OBRA '89), the Medicaid program is mandated to cover this target population. OBRA '89 allows the states to cover children up to age eight as an option. This would enable more children who fall into the "gap group" population to have comprehensive medical coverage through Medicaid.

Based on the recommendations of representatives from the Department of Human Services and Department of Health, your Committee has amended this bill to provide Medicaid coverage for children through seven rather than up to six years of age. This amendment will be in conformity with OBRA '89 provisions covering children up to age eight.

Additionally, your Committee has amended the bill to direct the Department of Human Services to publicize any expansion of benefits made pursuant to Section 346-14(14), Hawaii Revised Statutes, to ensure that the general public will be made aware of expansions as they occur.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2511, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2511, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 22-90 Human Services on H.B. No. 2304

The purpose of this bill is to further assist Hawaii residents, especially those in the lower income brackets, by increasing the food tax credit from \$45 to \$60 for the taxable years beginning after December 31, 1989 and ending before January 1, 1992.

At the present time, a resident taxpayer who files an individual income tax return for a taxable year may claim the food tax credit; provided that the taxpayer is not eligible to be claimed as a dependent by another taxpayer and has physically resided in the State for more than nine months of the taxable year. The taxpayer may claim a food tax credit of \$45 multiplied by the number of qualified exemptions to which the taxpayer is entitled. However, this tax credit is scheduled to be repealed after December 31, 1990.

Your Committee finds that the food tax credit helps Hawaii residents while continuing the export of part of the general excise tax to Hawaii's visitors. The food tax credit is a viable alternative to a general excise tax exemption for the sale of food. This tax credit should be extended to maintain the positive effect of this tax credit on the people of Hawaii.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2304 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 23-90 Human Services on H.B. No. 2049

The purpose of this bill is to promote the availability of respite care services for caregivers so that occasional free time is available on a regular basis to the caregivers. This bill also appropriates funds for the training of 100 respite workers.

Your Committee finds that respite services are necessary to preserve the physical, mental, emotional, and psychological health of the caregiver for both elderly and handicapped individuals.

Unfortunately there are only a handful of providers offering respite services in Hawaii. They include: the Department of Health Foster Home Program, the Easter Seal Society, the Association of Retarded Citizens on Kauai, and the Maui Association of Retarded Citizens. Respite services are not available because of lack of funding, lack of trained workers, and inadequate pay for those providing respite care services.

Your Committee further finds that this measure will begin to address the shortfall of adequate fiscal resources and trained respite workers.

Testimony supporting the intent of this measure was received from the Department of Health, the State Planning Council of Developmental Disabilities, the Executive Office on Aging, the National Association of Retired Federal Employees, AARP, the Kokua Council for Senior Citizens, and Catholic Charities.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2049 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 24-90 Human Services on H.B. No. 2081

The purpose of this bill is to encourage the donation of food to nonprofit organizations that distribute food to the needy through personal and corporate income tax deductions against gross income.

Your Committee received testimony in support of the intent of this measure from the Hawaii Food Industry Association, Kauai Economic Opportunity, Incorporated, the Salvation Army, the West Hawaii Homeless Task Force, and the Hawaii Foodbank.

Despite the negative testimony of the Department of Taxation, your Committee finds that the benefits resulting from providing incentives to individuals and corporations to donate food for the needy far outweigh the Department's arguments.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2081 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 25-90 Economic Development and Hawaiian Affairs on H.B. No. 2896

The purpose of this bill is to resolve controversies relating to the native Hawaiian public trust under Article XII, section 4, 5, and 6 of the Constitution of the State of Hawaii.

H.B. No. 2896 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 Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2896, as amended herein, and recommends that it be recommitted to the Committee on Economic Development and Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2896, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Hagino, Hiraki and Stegmaier.

SCRep. 26-90 Finance on H.B. No. 2069

The purpose of this bill is to require the Governor to submit certain budget-related documents to the Legislature no later than forty-five days before the Legislature convenes.

Specifically, this bill requires the Governor to submit to the Legislature in every odd-numbered year a six year program and financial plan, a program memoranda, and a biennium budget at least forty-five days before the Legislature convenes. Further, this bill provides that the Governor may submit to the Legislature in even-numbered years a supplemental budget at least forty-five days before the Legislature convenes. Finally, this bill requires the Governor to submit to the Legislature the variance report on program performance at least forty-five days before each regular session.

Currently, the Governor is required to submit these documents no later than twenty days before the Legislature convenes. Your Committee finds that increasing the submittal date to no later than forty-five days before the Legislature convenes would provide the Legislature greater opportunity to examine and analyze these crucial documents, thereby insuring sound fiscal and program policy decision making.

Your Committee has amended the bill by making technical, nonsubstantive changes for the purposes of clarity and style.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2069, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 27-90 Finance on H.B. No. 2990

The purpose of this bill is to authorize the issuance of general obligation bonds and to declare findings that the total amount of principal and interest estimated for such bonds and all bonds authorized but unissued and calculated for all bonds issued and outstanding will not cause the debt limit to be exceeded at the time of issuance.

This bill is intended to meet the requirement of Article VII, Section 13, of the Constitution of the State of Hawaii. This constitutional provision requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the debt limit will not be exceeded upon the issuance of bonds authorized by the law and in the past.

For purposes of continued discussion, your Committee has amended the bill by inserting the sum of \$1 as the total amount of general obligation bonds authorized. Other amounts in the bill and the proper bill references have been left incomplete since the precise data or estimates have not yet been established. It is the intent of your Committee that the appropriate amounts and references will be inserted when they become known. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2990, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 28-90 Finance on H.B. No. 2894

The purpose of this bill is to authorize state agencies to extend grant, subsidy, or purchase of service contracts from one fiscal biennium for up to four months of the subsequent biennium, provided that certain conditions are met.

Your Committee heard testimony in support of this bill from the Department of Budget and Finance and the Department of Health, as well as numerous private service providers.

Your Committee received testimony from the Director of Finance that reducing the extension period from four months to three months would coincide with the State's quarterly budgeting period, while continuing to allow sufficient time to execute a new contract. Accordingly, the bill has been amended to reflect this recommendation. In addition, technical, nonsubstantive changes have been made for purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2894, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 29-90 Finance on H.B. No. 2638

The purpose of this bill is to increase the dollar amount at which formal and informal advertising are required for expenditure of public monies.

More specifically, the bill raises the minimum threshold required for advertised seal bids from \$8,000 to \$15,000, and increases the range required for advertised informal bids from between \$4,000 and \$8,000 to between \$8,000 and \$15,000. For public works or repairs and maintenance of buildings, roads and other site improvements, the bill raises the range required for advertised informal bids from between \$4,000 and \$15,000 to between \$8,000 and \$25,000. Further, for repair of publicly owned or leased heavy equipment, automotive equipment, sewage treatment plants, utility lines, and emergency roadway work, the bill raises the level at which formal and informal bidding is not required from between \$4,000 and \$10,000 to between \$8,000 and \$15,000.

In light of steadily rising costs for supplies and services, your Committee finds that increasing the dollar thresholds would permit the purchase of more items without informal advertising or a call for sealed tenders, thereby allowing the use of simpler, more efficient methods. These simpler procedures would reduce purchasing leadtimes and allow the process to be more responsive.

Your Committee believes that the higher thresholds would result in more competitive prices because more companies may bid for informal bids, which do not require costly performance bonds.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2638, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 30-90 Finance on H.B. No. 2477

The purpose of this bill is to reduce the dollar amount below which a payment must be made from petty cash from \$100 to \$25.

Your Committee received testimony from the Department of Accounting and General Services in favor of the bill.

The Department testified that the current requirement for state agencies to use petty cash funds for payments below \$100 has benefited some smaller agencies in that payments are being made faster. However, the functions associated with the operations of petty cash funds have significantly increased some agencies' workload because the number of transactions under \$100 make up approximately 30 to 40 percent of their total payments. As a result, agencies are incurring additional costs to operate their systems and for some, significant overtime is being incurred.

Your Committee finds that the lowering of the threshold from \$100 to \$25 would drastically reduce the number of payments made through the petty cash fund.

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

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2477, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 31-90 Higher Education and the Arts and Agriculture on H.B. No. 2126

The purpose of this bill is to establish a permanent county extension agent in Hilo. This bill proposes to establish a permanent position for a cut flower agent with an appropriation of \$45,000 for fiscal year 1990-1991.

Your Committees received testimony in support of the proposed bill from the College of Tropical Agriculture and Human Resources (CTAHR) and the Hawaii Farm Bureau Federation. The testimony indicated that East Hawaii has only one permanent agent serving both the cut flower and vegetable industries in an area extending from Waiohinu in Ka'u to Laupahoehoe. Recognizing the need for additional manpower, a temporary cut-flower agent was hired in 1989 with funds provided by the Governor's Agriculture Coordinating Committee to allow the permanent county agent to serve the vegetable clientele in East Hawaii.

Your Committees find that with the increasing floricultural productions and the corresponding need for extension services, the time has come to recognize and solve this problem with a permanent position.

Because the extension agent's position would be permanent, your Committees have amended Section 2 of this bill to authorize the position. Your Committees have also renumbered the remaining sections for consistency.

Your Committees on Higher Education and the Arts and Agriculture are in accord with the intent and purpose of H.B. No. 2126, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2126, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 32-90 Higher Education and the Arts and Agriculture on H.B. No. 2127

The purpose of this bill is to establish a county extension agent's position to serve as surveillance coordinator on Kauai. An appropriation of \$48,000 is proposed for fiscal year 1990-1991.

Your Committees received testimony in support of the proposed bill from the College of Tropical Agriculture and Human Resources (CTAHR) and the Hawaii Farm Bureau Federation.

The testimony indicated that the Kauai farming community identified a need for a special education specialist who will teach and help them to deal with pesticide use issues through the Integrated Pest Management (IPM) program. The IPM program developed for specific crop provides for an optimal combination of biological, cultural, genetic, and chemical pest-control practices that will prevent economic losses from pests or sets of pests.

The development of an IPM program is time consuming and requires someone with knowledge and training to assume the responsibilities for teaching and coordinating the surveillance work.

Your Committees find that the two agricultural extension agents on the Kauai Cooperative Extension Service cannot handle the additional workload. Moreover, the environmental and related health concerns with pesticide usage, the withdrawals of registered pesticides, and the farmer's need to control insect pests justify establishment of this position.

Your Committees have amended Section 1 of this bill to substitute the word "resources" for "service" on line 6. Because the extension agent's position should be permanent, your Committees have also amended Section 2 of this bill to provide the authorization language. Finally, your Committees have renumbered the remaining sections for consistency.

Your Committees on Higher Education and the Arts and Agriculture are in accord with the intent and purpose of H.B. No. 2127, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2127, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 33-90 Higher Education and the Arts and Agriculture on H.B. No. 2125

The purpose of this bill is to identify alternative agricultural crops that could be grown on vacant sugar cane lands situated in low elevations by appropriating \$50,000 in fiscal year 1990-1991 for the establishment of a demonstration farm. Under this bill, the University of Hawaii would establish a seven-acre demonstration farm at Puunene, Maui next to the Hawaii Sugar Planters' Association (HSPA) Experiment Station. The operations of the demonstration farm would be coordinated with HSPA's own operations.

Testimony from the College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation indicated that the demonstration farm would provide information on alternative crop production, quality of crops, disease and insect control, as well as other information that will help to assess the marketability of potentially, new, alternative crops. Such information would be invaluable not only in determining alternative agricultural uses for vacant sugar cane lands, but also for other on-going or new farming operations located in low elevations elsewhere. In the long run, the results of this demonstration farm will enhance crop diversification in Hawaii.

Your Committees on Higher Education and the Arts and Agriculture are in accord with the intent and purpose of H.B. No. 2125 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 34-90 Higher Education and the Arts and Agriculture on H.B. No. 2124

The purpose of this bill is to establish a permanent county extension agent on Maui by appropriating \$45,000 for fiscal year 1990-1991.

Testimony from the College of Tropical Agriculture and Human Resources and the Hawaii Farm Bureau Federation indicated that the addition of a new extension agent position would: (1) provide much needed support and assistance to the general public as well as the growing diversified agricultural industry; and (2) permit the extension staff to adjust their current workload responsibilities.

Because the proposed extension agent's position would be permanent, your Committees have amended Section 2 of this bill to provide the authorization for the position. Your Committees have also renumbered the remaining Sections for consistency purposes.

Your Committees on Higher Education and the Arts and Agriculture are in accord with the intent and purpose of H.B. No. 2124, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2124, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 35-90 Agriculture on H.B. No. 2504

The purpose of this bill is to improve the operational capacity of the Kula vacuum cooling facility. This bill proposes to increase the capacity of the ice machine to meet the needs for packing purposes. An appropriation of \$60,000 is proposed for fiscal year 1990-1991.

Your Committee received testimony in support of this bill from the Department of Agriculture.

Your Committee finds that the present capacity is not sufficient to supply the packing ice needed.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2504 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 36-90 Agriculture on H.B. No. 2286

The purpose of this bill is to enhance consumption of coffee grown in Hawaii.

This bill proposes to continue the State's financial assistance to promote and market Hawaii-grown coffee. An appropriation of \$100,000 is proposed for fiscal year 1990-1991.

Your Committee received testimony in support of this bill from the Department of Agriculture, the Hawaiian Sugar Planters' Association, and the Kona Coffee Council.

The testimony indicated that: (1) significant commercial-scale coffee plantings have already been made by McBryde Sugar Company on Kauai, and pilot-scale plantings have commenced at the Pioneer Mill Company on Maui; (2) new coffee plantings by others have also been announced for Molokai, and additional acreage is planned for Kona; (3) coffee crop sales could bring more than \$10 million in farm prices to Kona this year for the first time in history; and (4) State promotional assistance is needed to help maintain this vital industry.

Your Committee finds that promotion is the key to keep demand in pace with the increased supply of both Kona and other Hawaii- grown coffee.

Because a dollar for dollar matching provision was not included in the proposed bill, your Committee has amended Section 2 to include this language.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2286, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 37-90 Agriculture on H.B. No. 2318

The purpose of this bill is to enhance consumption of fresh milk produced in Hawaii through promotions.

This bill proposes to continue the State's financial assistance to promote and market Hawaii-produced milk on a matching basis. An appropriation of \$50,000 is proposed for fiscal year 1990-1991.

Your Committee received testimony in support of this bill from the Department of Agriculture (DOA), the Governor's Agriculture Coordinating Committee, and the Fresh Milk Industry of Hawaii.

The testimony indicated that last year's legislation to require "island fresh" identification for locally produced fresh milk has provided a marketing asset for the industry. The industry will use this marketing asset to heighten consumer awareness of the importance of purchasing Hawaii produced milk over mainland produced milk.

Since the agricultural product promotion responsibilities fall under the jurisdiction of DOA, your Committee has amended Section 2 of this bill to make DOA the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2318, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 38-90 Agriculture on H.B. No. 2285

The purpose of this bill is to expand the use of trained beagle dogs in the detection of illegal plants and animals transported into the State.

This bill proposes to augment the Department of Agriculture's plant and nondomestic animal quarantine program with expanded use of trained beagles in the inspection work at the ports of entry in the State. The Neighboring Islands are to be given priority on the assignment of the newly acquired and trained beagles. For the expansion of this program, this bill proposes to appropriate \$57,000 for fiscal year 1990-1991.

Your Committee received testimony in support of this bill from the Department of Agriculture, the Hawaiian Sugar Planters' Association and the Hawaii Farm Bureau Federation.

The testimony indicated that: (1) three trained detector beagles and handlers are currently working at the Honolulu International Airport to monitor incoming domestic flights; (2) these beagles have responded to 143 baggages from 114 passengers with fruits, vegetables, plants, and seeds during the two and one half months of operation; (3) sixty six per cent of the passengers with plant material failed to declare items on the agricultural declarations, and (4) four new insects that attack the sugarcane plant have been established in Hawaii during the past five years; all are potentially damaging.

Your Committee finds that:

- (1) These trained beagles have been effective in detecting hidden items;
- (2) They are not offensive or threatening in doing their work;
- (3) They help to reduce the chances of new plant diseases and insect pests and unwanted or prohibited plants and animals from entering the State; and
- (4) Their successful performance leads to the conclusion that similar results are achievable at other ports of entry in the State.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2285 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 39-90 Agriculture on H.B. No. 2283

The purpose of this bill is to assist the carnation and watermelon farmers from crop devastations caused by the carnation wilt virus and the chemical resistant aphids.

This bill proposes to conduct research on: (1) alternative floral crops to replace carnation; and (2) chemical resistant aphids that feed on watermelon. Appropriations of \$12,000 and \$40,000 are proposed for fiscal year 1990-1991 for the respective research.

Your Committee received testimony in support of this bill from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee (GACC), and the Hawaii Farm Bureau Federation. The testimony indicated that: (1) the production of carnation on Maui has declined over the past six years (a total of 34 million lei heads were sold in 1983 compared to 18.7 million in 1988); (2) the decline in carnation production was attributed to serious disease problems; (3) the watermelon production in Hawaii is an example of a crop which has displaced imports; and (4) the watermelon growers on Molokai are threatened by a pesticide resistant aphid infestation problem which is causing serious production losses.

Your Committee finds that carnation farming may become economically less viable with increasing production costs attributable to the disease problems and that there is need to find alternative floral crops for the growers. Your Committee also finds that short term solutions (such as finding and registering another effective pesticide) as well as long term solutions are needed to assist the watermelon growers with their problems.

Because your Committee finds that funding is already available for the carnation replacement research through GACC, your Committee has deleted Section 2 of this bill in its entirety. Your Committee has also amended Section 1 by deleting paragraph 2 on page 1 and by deleting reference to flowers on line 9 on page 2 of the original bill. Your Committee also adopted CTAHR's recommendation by amending Section 3 of this bill to increase the melon research appropriation to \$50,000. This increase is necessary because of the higher level of research needed to address this problem. Finally, your Committee has made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2283, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 40-90 Agriculture on H.B. No. 2128

The purpose of this bill is to conduct a feasibility study on the development of an agricultural products packaging, processing, and distribution plant near the Lihue Airport on Kauai. The bill proposes to provide \$45,000 for the feasibility study.

Your Committee received testimony in support of this bill from the Governor's Agriculture Coordinating Committee and the Hawaii Farm Bureau Federation (HFBF). The testimony indicated that the feasibility study will address one of the very important needs of diversified agriculture on Kauai--a central facility to handle and prepare the various agricultural products for shipment.

Your Committee finds that such a study should help Kauai in developing its strategy and direction for attaining economic and agricultural diversification.

Because the United States Department of Agriculture has eliminated the double hot water dip treatment process for export of tropical fruits to the mainland United States, your Committee has inserted a new Section 2 to provide an additional appropriation of \$45,000 for a feasibility study on the development of a commercial dry heat demonstration project as an integral and adjunct part of the same complex. The remaining sections of this bill have been renumbered for consistency purposes.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2128, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 41-90 Agriculture on H.B. No. 2123

The purpose of this bill is to improve phase II of the Molokai agricultural park by installing appropriate utilities, including electrical and telephone services. This bill proposes to appropriate \$150,000 for fiscal year 1990-1991 for this purpose.

Your Committee received testimony in support of this bill from the Department of Agriculture (DOA) and the Hawaii Farm Bureau Federation. The testimony indicated that: (1) the agricultural park has been a pivotal part of the growth of diversified agriculture on Molokai; (2) the farms in the agricultural park have replaced a significant portion of the jobs lost from the phaseout of pineapple cultivation; and (3) utilities are needed to enhance the farm operations and further development of the agricultural park.

Your Committee finds that electrical and telephone services are necessary for the success of any competitive farm operation. Not only is electricity required for operations of crop grading equipment, welders, and compressors, but daily telephone contacts must be maintained with wholesalers and suppliers.

Because the County of Maui is the master lessor and the manager of the agricultural park, your Committee has amended Section 2 of this bill to make the County of Maui the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2123, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 42-90 Judiciary on H.B. No. 3398

The purpose of this bill is to require the Governor to hold a public hearing before vetoing specific appropriation items in the state budget.

Current law allows the Governor to expend or refuse to expend funds appropriated by the Legislature. This bill is intended to require a public hearing before changes in the budget are made by the Governor.

Your Committee has amended this bill by requiring the Governor to hold a public hearing with the Finance and Ways and Means Committees of both Houses of the Legislature, instead of with the entire Legislature. Your Committee has also amended this bill by deleting part one and consolidating parts two and three of the constitutional question.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3398, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bellinger, Hiraki, Okamura, Peters, Yoshimura, Anderson and Cavasso.

SCRep. 43-90 Tourism on H.B. No. 3095

The purpose of this bill is to ensure that tourism issues receive the level of priority within the state government that corresponds to its importance to the state economy by restructuring the department of business and economic development to establish in it a division of tourism and to rename it the department of tourism and business development.

The bill transfers from the director to the deputy director of tourism responsibility for managing the Hawaii visitors bureau contract, establishing the tourism impact management system, and coordinating visitor industry development. The bill also creates a commission on tourism to set state policy and approve the actions of the tourism division regarding the tourism strategic marketing plan.

Your committee received testimony in support of the bill from the Hawaii Hotel Association, local chapters of the hotel association, the New Otani Kaimana Beach Hotel, the Prince Hotels, Aston Hotels, and the Maui Marriott, and qualified support from the department of business and economic development.

Your committee amended the bill by changing the proposed name from "department of tourism and business development" to "department of business, economic development and tourism" on page 1 line 14, pg. 2 ln. 13, pg. 2 ln. 18, pg. 13 ln. 13, 15 and 17, and pg. 18 ln. 3 and 6.

Your committee deleted the commission on tourism's responsibility for approving the actions of the tourism division in pg. 2 ln. 2-3 and pg. 4 ln. 19. Your committee also added the definition of the deputy director of tourism to the definitions section on page 2 and amended subsection (b) to read "The division shall be headed by the deputy director of tourism."

On pg. 13 ln 18, your committee added "and other functions as may be assigned by the director of business, economic development and tourism with the approval of the governor" to the responsibilities of the new deputy director. Your committee also added "of the new department of business, economic development, and tourism" to pg. 18 ln. 11 to clarify the transfer.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3095, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Horita.

SCRep. 44-90 Health on H.B. No. 2665

The purpose of this bill is to establish within the Department of Health a revolving fund which will provide loans for the development of housing for recovering alcohol and substance abusers. The establishment of this revolving fund is required by the Anti-Drug Abuse Act of 1988, P.L. 100-690.

Your Committee received testimony in support of this bill from the Department of Health which indicated that compliance with P.L. 100-690 is necessary in order to avoid jeopardizing the approximately seven million dollars which the Department receives in federal mental health and anti-drug abuse grants. The Department assured your Committee that establishment of the revolving fund is the most cost-effective way to accomplish compliance. Additionally, the Department testified that the legislature need not appropriate any moneys in connection with this bill.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2665 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 45-90 Health on H.B. No. 2683

The purpose of this bill is to amend Section 39A-52, Hawaii Revised Statutes, to extend the enabling legislation authorizing the issuance of special purpose revenue bonds for not-for-profit corporations that provide health care facilities to the general public.

Your Committee received testimony in support of this bill from the Healthcare Association of Hawaii. This testimony indicated that significant cost savings have been realized to the benefit of both government and private consumers through the issuance of special purpose revenue bonds to not-for-profit health care institutions. The Association also testified that experience to date shows that health care institutions have been prudent and responsible when requesting these bonds.

Your Committee finds that the public welfare will be enhanced by allowing the continued issuance of these special purpose revenue bonds until June 30, 1996.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2683 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 46-90

Health on H.B. No. 2140

The purpose of this bill is to exempt from the general excise tax, amounts received from the furnishing of medical services.

Your Committee received testimony in support of this bill from the Hawaii Dental Service; Intercontinental Medical Services, Inc.; the Healthcare Association of Hawaii; the Life Care Center; Creative Management Concepts; and interested individuals. The testimony indicated that the exemption proposed by the bill, unlike a tax rebate, would direct relief to those who needed it the most, i.e., the aged, families with large numbers of children, the handicapped, persons with chronic illnesses, persons with limited income, and those with insufficient or no medical insurance. Testifiers in support of the bill unanimously felt the proposed exemption would decrease health care expenses for patients without compromising the quality of care.

Testimony against the bill was received from the Department of Taxation which stated that the exemption would result in a potential revenue loss to the State of \$37 million for fiscal year 1990-1991 and \$41.6 million for fiscal year 1991-1992.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2140 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 47-90

Health on H.B. No. 2276

The purpose of this bill is to appropriate moneys to provide emergency assistance to the homeless in programs at various shelters throughout the State of Hawaii.

Your Committee heard overwhelming testimony in support of the intent of this bill from the Departments of Health and Human Services; the Hawaii Housing Authority; the Office of Hawaiian Affairs; the Office of Children and Youth; Homeless Aloha, Inc.; the East Hawaii Coalition for the Homeless, Inc.; the Hawaii Ecumenical Housing Corporation; the Waikiki Health Center; the Mental Health Coalition; and other service providers and interested individuals.

The Waikiki Health Center indicated that along with the need for emergency assistance which is addressed by the bill, the necessity of primary health care services for the medically indigent and homeless is also a fundamental concern. The Center suggested that this need could be addressed by earmarking \$1,000,000 of the moneys appropriated to the State Health Insurance program for fiscal year 1990-1991, for primary health care services for this target group. The Department of Health concurred with this earmarking of funds.

Based on the foregoing testimony, your Committee has amended the bill to include an amendment to Section 3 of Act 378, Session Laws of Hawaii, under which \$1,000,000 of the moneys appropriated to the State Health Insurance program for the fiscal year 1990-1991 shall be earmarked for primary health care services for medically indigent and homeless persons. These services shall be delivered through primary care centers by means of direct reimbursements, additional

medical staff, or other appropriate means. Your Committee is of the opinion that this allocation of resources will ensure that primary health care is made available to this vulnerable and needy segment of the population.

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

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2276, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 48-90 Education on H.B. No. 2719

The purpose of this bill is to allow public school teachers in the contributory retirement plan to retire after twenty-five years of service without any reduction in benefits.

Your Committee heard testimony from the employees' retirement system, the superintendent of education, and the Hawaii State Teachers' Association. As this bill pertains only to contributory members, your Committee has amended it to extend the same benefit to public school teachers in the noncontributory plan.

Your Committees on Education and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2719, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1729, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Hemmings.

SCRep. 49-90 Human Services on H.B. No. 2758

The purpose of this bill is to appropriate funds for emergency shelters for victims of domestic violence on Oahu and Molokai.

Your Committee realizes that family violence is a critical community issue and hopes that this measure will help mitigate existing problems.

Your Committee received favorable testimony in support of the intent of this measure from the Department of Human Services, the Judiciary, the Department of Health, the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney, and Child and Family Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2758 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 50-90 Human Services on H.B. No. 2778

The purpose of this bill is to appropriate funds for the continuation of work on the establishment of a coordinated statewide long term care database which will facilitate the effective delivery of long term care services and train long term care providers to gather and input data into the system.

Your Committee finds that without a continued initiative to implement a standardized system of long term care data collection among the State's service providers, efforts to profile the long term care population and its needs will continue to rely on partial and/or obsolete data sources to meet the needs of broad-scale policy planning.

Your Committee received favorable testimony on this measure from the Executive Office on Aging, the City and County Elderly Affairs Division, the Hawaii Long Term Care Association, the National Association of Retired Federal Employees and the American Association of Retired Persons.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2778 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 51-90 Human Services on H.B. No. 2674

The purpose of this bill is to appropriate funds for the construction of two shelters for battered women on Oahu which would be designed for stays of up to one month.

Your Committee received testimony in support of this bill from the Department of Human Services, the Hawaii Housing Authority, the Judiciary of the State of Hawaii, the Legal Aid Society of Hawaii, the Hawaii Commission on the Status of Women, and Child and Family Service.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Directed that the moneys appropriated be expended by the Hawaii Housing Authority rather than the Department of Health;
- (2) Changed the language of the bill to allow for the construction or renovation of one or more shelters; and
- (3) Broadened the language of the bill to allow the funds appropriated to be used for purchase, design, acquisition, and rehabilitation or renovation, as well as construction.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2674, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 52-90 Human Services on H.B. No. 3109

The purpose of this bill is to appropriate funds to train child and protective services workers in recognizing and dealing with factors contributing to domestic violence.

Your Committee received testimony in support of this bill from the Department of Human Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Hawaii State Commission on the Status of Women, and a victim of domestic violence.

The testimony indicated that a child whose safety depends on the actions of a mother who is chronically battered by her spouse or partner is not in a safe home. Well-trained workers who are familiar with the dynamics of a battering situation and well-versed in a variety of interventions are needed to protect both mother and child.

The testimony further indicated that judges, law enforcement personnel, and guardians ad litem also have a serious need for training that will familiar them with the dynamics of domestic violence.

Additionally, the Department of Human Services testified that staff in areas of the Department other than child services also encounter incidents of domestic violence in the course of their work. Accordingly, the Department recommended broadening the scope of the bill to include "department of human service workers."

Based on the foregoing testimony, your Committee has amended the bill to broaden its application to "department of human services workers, judges, guardians ad litem, and law enforcement officers."

Your Committee has also amended the bill to indicate an appropriation amount of \$75,000.

As a final note, your Committee would like to express its concern that the School of Social Work of the University of Hawaii, while currently implementing courses on child abuse in its child welfare curriculum, does not have similar courses on spouse abuse. Your Committee hopes that the University of Hawaii will adopt a more comprehensive response to the issues of domestic violence and accordingly correct existing deficiencies in its curriculum.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3109, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 53-90 Human Services on H.B. No. 2772

The purpose of this bill is to appropriate the sum of \$75,000 for a conference on elder care in 1991.

Your committee finds that a conference on elder care will help professionals and the community focus on the continuum of services needed by the elderly, as well as define those areas lacking in our present service delivery system.

Your Committee received favorable testimony on this measure from the Executive Office on Aging, the State Legislative Committee of the American Association of Retired Persons, the Hawaii Long Term Care Association and the Kokua Council for Senior Citizens

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2772 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 54-90 Human Services on H.B. No. 2777

The purpose of this bill is to enhance the functioning of public education in Hawaii through the refining and expanding of the senior resource demonstration project.

Your Committee received favorable testimony on this measure from the Executive Office on Aging, the Volunteer Information and Referral Service, Liholiho Elementary School, and private citizens.

Your Committee finds that the public school system can benefit by matching the untapped resource represented by our retiree population with children who need individual assistance and teachers who can use assistance in the classroom, computer lab, and library, as well as on excursions and with audio-visual production.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2777 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 55-90 Human Services on H.B. No. 2282

The purpose of this bill is to appropriate resources for the development of a comprehensive respite care system which includes training and recruitment; assessment of the needs of caregivers; and increases in medicaid reimbursements for in-home health care services.

Your Committee received overwhelming testimony in support of the intent of the bill from the Departments of Human Services and Health; the Executive Office on Aging; the Office of Children and Youth; the Hawaii State Commission on the Status of Women; the Commission of Persons with Disabilities; the State Planning Council on Developmental Disabilities; Catholic Charities of the Diocese of Honolulu; Child and Family Service; the Community Elder Abuse and Neglect Task Force; the Protection and Advocacy Agency of Hawaii; the American Association of Retired Persons; the Founders' Group of the Kokua Council of Senior Citizens; the Hawaii chapter of the National Association of Social Workers; the Mental Health Association of Hawaii; the County Executive on Aging, City and County of Honolulu; the National Association of Retired Federal Employees; the Alzheimer's Association; the American Association of University Women; family caregivers; and interested individuals.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Changed the purpose of the bill by including "resource" as a component of the comprehensive respite care system and deleting the hotline for emergencies and reports of abuse;
- (2) Established an advisory council of eleven members within the Department of Health for the purpose of advising the Department on respite care matters to address concerns that all special needs groups be considered in the allocation of resources;
- (3) Clarified in section 2 of the bill that the appropriations therein are, *inter alia*, for "support services and training" to families providing home care to a family member who is "disabled;"
- (4) Added "developmentally disabled adult or child" as one of the categories of disabled persons covered under section 2 of the bill;
- (5) Clarified that the appropriation pertaining to respite care for foster care providers be for "child" foster care providers;
- (6) Limited the study and assessment of at-home family caregivers to an assessment only and lessening the appropriation amount for this assessment to \$100,000;
- (7) Clarifying that the foregoing assessment shall determine, *inter alia*, the types and respective numbers of disabled or ill individuals "being cared for at home by families;"
- (8) Directed that the appropriation for the statewide caregiver training program and the pre-retirement and caregiver demonstration program be expended by the Executive Office on Aging rather than the Department of Human Services;
- (9) Clarified that the statewide caregiver training program shall provide training to professional as well as family caregivers;
- (10) Appropriated \$100,000 to be expended by the Department of Human Services for the provision of services and training as well as the establishment and development of respite care services to families providing home care to a family member who is a physically disabled adult or child;
- (11) Appropriated resources to be expended by the Department of Human Services for the expansion of the Senior Companion and Respite Companion programs;
- (12) Deleted the provision relating to increases in medicaid reimbursements for in-home health care services;
- (13) Appropriated \$400,000 for expansion of the crisis intervention services for the elderly program to include provision and development of in-home emergency care services to disabled or ill persons of all ages requiring long-term care at home; and
- (14) Made technical, nonsubstantive amendments for the sake of style and clarity.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2282, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 56-90 Planning, Energy and Environmental Protection and Agriculture on H.B. No. 2266

The purpose of this bill is to appropriate funds for a statewide collection and disposal project for household and agricultural hazardous wastes.

Your Committees received testimony supporting the intent of the measure from the Department of Health, the University of Hawaii College of Tropical Agriculture, the Environmental Center, the Office of Environmental Quality Control, Hawaii's Thousand Friends, and the League of Women Voters. These organizations all acknowledged the value of previous household and agricultural hazardous waste collection projects, and indicated an interest in continuing similar projects on a long-term basis.

Based on recommendations by the Department of Health, your Committees have amended this bill to indicate that there is no space in landfills for hazardous wastes and there is only one storage facility for hazardous wastes in the State.

As it becomes increasingly difficult to collect and dispose of hazardous wastes in the State, your Committees find that a one-shot collection project is insufficient to meet the environmental and health needs of the people of Hawaii.

Accordingly, your Committees have further amended this bill to appropriate funds for investigating the feasibility of conducting this project on a long-term basis in addition to conducting the statewide household and agricultural hazardous waste collection project.

Your Committees on Planning, Energy and Environmental Protection and Agriculture are in accord with the intent and purpose of H.B. No. 2266, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2266, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 57-90 Planning, Energy and Environmental Protection on H.B. No. 2439

The purpose of this bill, as received by your Committee, is to establish and fund a Recycling Proposal Fund to assist individuals developing proposals on methods or programs specifically related to recycling.

Your Committee received testimony from the Department of Business and Economic Development in support of the intent of this measure. However, the Department proposed that rather than having the Business and Marketing Division expend funds, the Energy Division would be the more appropriate expending agency.

The Energy Division has traditionally been assigned to work on recycling issues; whereas, the Business and Marketing Division has not had any assignments related to recycling. Accordingly, your Committee has amended this measure to provide that the Energy Division of the Department of Business and Economic Development expend moneys from the fund.

Your Committee has also amended the appropriation section of this bill by clarifying that the Department of Business and Economic Development will be the expending agency. Other technical, nonsubstantive amendments have been made for the purpose of style and clarity.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2439, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 58-90 Planning, Energy and Environmental Protection on H.B. No. 2305

The purpose of this bill, as received by your Committee, is to establish a special fund that will assist each of the four counties in further developing integrated wastewater and solid waste management systems.

Landfill sites are nearing capacity, and the legislature finds that there is an insufficient quantity of land suitable for siting new landfills. The legislature further finds that it is necessary to develop alternatives to landfilling the entire solid waste stream. Subsequently, this special fund is not for new landfills, but to facilitate other methods of managing solid waste. This special fund is also to enhance the counties' ability to safely dispose of wastewater. Your Committee has determined that this measure will assist in resolving the serious issue of waste management, and merits passage.

Testimony received from the Department of Health stated that, according to Section 342 H-1, Hawaii Revised Statutes, the definition of solid waste includes the term "liquid". Accordingly, your Committee has amended this measure by substituting the word "wastewater" in place of "liquid". This is to clarify that the intent of this measure is not only for solid waste management, but also for enhancing safe disposal of wastewater. Other technical, nonsubstantive amendments have been 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. 2305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2305, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 59-90 Planning, Energy and Environmental Protection on H.B. No. 2388

The purpose of this bill, as received by your Committee, is to amend Act 77, Session Laws of Hawaii, which prohibits over-the-counter sales of refrigerants, raises the standards of repair facilities, and promotes the recovery, recycling, and destruction of chlorofluorocarbons (CFCs). The proposed amendments to Act 77 included provisions for mandatory labeling of all substances containing or manufactured with CFCs, and a more comprehensive definition of CFCs.

Your Committee has deleted the provisions on mandatory labeling, and has added language to the comprehensive definition of CFCs. Your Committee has further amended this measure by adding a new chapter to the Hawaii Revised Statutes entitled "Ozone Layer Protection". This new chapter replaces the environmental quality law which was repealed June 7, 1989, and transfers all provisions of the amended Act 77 to the new chapter.

Your Committee on Planning, Energy, and Environmental Protection is in accord with the intent and purpose of H.B. No. 2388, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2388, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 60-90 Intergovernmental Relations and International Affairs on H.B. No. 1304

The purpose of this bill is to develop a series of 30-minute educational and informational video productions to promote Hawaii's international role.

H.B. No. 1304 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. 1304, 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. 1304, H.D. 1.

Signed by all members of the Committee.

SCRep. 61-90 Intergovernmental Relations and International Affairs on H.B. No. 2323

The purpose of this bill is to define "accessory building" and "accessory dwelling," and to give the counties the authority to regulate the sale of accessory buildings and accessory dwellings under condominium property regime statutes.

Your Committee finds that owners of property on which an "ohana" unit is built can divide their property into two separate lots pursuant to condominium property regime statutes, and then sell the units separately at large profits.

Your Committee further finds that this type of separation and sale of "ohana zoning" units encourages speculation and is contrary to the intent of the original "ohana zoning" legislation, which was to assist families in purchasing affordable housing.

By revising the definition of condominium to exclude single units, accessory buildings, and accessory dwellings, and by authorizing the counties to regulate the sale of accessory buildings and accessory dwellings, there will be some control over the abuse of "ohana zoning." It would also allow for adherence to the original legislative intent of "ohana zoning."

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2323 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.

SCRep. 62-90 Intergovernmental Relations and International Affairs on H.B. No. 2268

The purpose of this bill is to establish a satellite state office pilot project to improve access to state government services and to reduce traffic congestion and driving distances for citizens. The pilot project will be established within the Office

of Information and will consist of four satellite state offices, one each in Windward Oahu, Leeward Oahu, Maui, and the Big Island.

Your Committee finds that expanding access to government is currently a critical issue. Accessibility is especially limited for suburban and rural residents. Offering government services in outlying areas would be consistent with present efforts for increased accessibility and decentralization.

Your Committee further finds that it would be feasible, through new developments in information technology, to offer such services as information, application forms, referral links, and the issuance of state identification cards, marriage licenses, and state park permits.

Testimony supporting this measure was received from the Office of State Planning, the Lieutenant Governor, and the Office of Information.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2268 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 63-90 Intergovernmental Relations and International Affairs on H.B. No. 2333

The purpose of this bill is to reimburse the City and County of Honolulu for tax monies collected in error between 1971 and 1986.

Your Committee finds that the City and County of Honolulu, through its nonprofit public utility, MTL, paid a four percent general excise tax in error from 1971 to 1989. However, the City and County has been reimbursed for the taxes paid in error from the years 1986 through 1989 only.

Your Committee feels that it is just that the City and County be reimbursed for the taxes paid in error from 1971 to 1986 in the amount of \$12,382,208.48.

Your Committee received testimony in support of this measure from the City Council and the Director of Transportation Services of the City and County of Honolulu.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2333 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 64-90 Intergovernmental Relations and International Affairs on H.B. No. 2714

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 for the hiring of additional police officers for the City and County of Honolulu and the Counties of Hawaii, Maui, and Kauai.

Your Committee finds that the police departments of the counties are having difficulty coping with the demands of their growing communities. Testimony presented indicates that the police forces are currently overburdened and in need of additional manpower. Funding for additional officers will allow the police departments of the counties to improve their crime-fighting abilities to ensure the safety and well-being of the public.

Your Committee received testimony from the Honolulu City Council and the police departments of Maui and the Big Island in support of this measure.

Your Committee has amended this bill by inserting the sum of \$1 in the appropriation section.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2714, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 65-90 Intergovernmental Relations and International Affairs on H.B. No. 2115

The purpose of this bill is to amend the statutes governing county charter adoption and amendment to require a majority of all ballots drawn, rather than simply a majority of all ballots cast, be voted in favor of an amendment in order for it to pass. This bill amends Sections 50-10 and 50-11 of the Hawaii Revised Statutes to include blank and spoiled ballots in determining the majority, thus requiring a majority of voters drawing ballots to vote in favor of the amendment being proposed before it can be adopted.

Your Committee finds that the existing statutory language permitting the adoption or amendment of county charters with only a majority of the votes cast, exclusive of damaged or blank ballots, creates uncertainty and opens the way for possible litigation. The proposed amendments would clarify this ambiguity.

Testimony was received from the County of Maui in favor of this bill. Their testimony observed that in the case of spoiled ballots, the spoiled ballot is discarded and another blank ballot is issued. In this case, only one ballot is considered "drawn."

Your Committee has amended the bill to clarify that spoiled ballots which have been replaced with new ballots will not be counted in determining the number of ballots drawn.

Your Committee urges that the counties, in their voter education programs, include information on the significance of blank ballots in determining the outcome of county charter amendment votes.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2115, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2115, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 66-90 Intergovernmental Relations and International Affairs on H.B. No. 2269

The purpose of this bill is to amend the definition of "person" under Hawaii's organized crime law to include nonresident aliens. This amendment would emphasize that the penalty of forfeiture under Hawaii's organized crime law applies equally to residents and nonresidents alike who engage in prohibited criminal activity.

Your Committee finds that forfeiture is a particularly valuable weapon against those visitors who exploit their welcome in Hawaii by engaging in criminal enterprises.

Your Committee received testimony in support of this measure from the Department of the Attorney General and the Honolulu Police Department. Testimony indicated that while foreign nationals are much more difficult to extradite from overseas, the assets used in and acquired by their criminal acts in the State can be subject to forfeiture. Thus, subjecting nonresidents to forfeiture can be a powerful means of deterrence and prevention, even if the responsible person has fled criminal prosecution.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2269 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 67-90 Intergovernmental Relations and International Affairs on H.B. No. 2862

The purpose of this bill is to authorize the counties to impose civil fines for any violation of county ordinances or rules.

Your Committee finds that the counties have difficulty dealing with unauthorized encroachments and unauthorized commercial uses in city parks. Authorizing the counties to impose civil fines will enable them to better enforce their ordinances and rules.

Testimony received from the City and County of Honolulu, Department of Parks and Recreation, supported the intent of this measure. The Department indicated that when violations do occur, it is difficult to obtain court decisions in a timely manner.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2862 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 68-90 Education and Health on H.B. No. 3258

The purpose of this bill is to provide funds for a pilot project called "Project Healthstart" on Oahu and Maui during summer, 1990; and to establish and operate a Project Healthstart class at Wallace Rider Farrington High School during the 1990-91 academic year.

Testimony in favor of this measure was submitted by the Department of Education, the Department of Health, the Department of Labor and Industrial Relations, Saint Francis Medical Center, the Healthcare Association of Hawaii, and others.

The Department of Education expressed a preference for the Senate version of this measure, Senate Bill No. 3361. Your Committee has amended the bill accordingly because we agree that a report from the Department of Health on this project would be redundant, and because this bill as received by your Committee does not clearly differentiate between Project Healthstart, a summer program, and the more sequential and comprehensive health care occupational training programs being developed for students. Your Committee also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committees on Education and Health are in accord with the intent and purpose of H.B. No. 3258, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige and Kawakami.

SCRep. 69-90 Education on H.B. No. 2869

The purpose of this bill is to amend Chapter 296, Hawaii Revised Statutes, by adding a new section to establish a storeroom and a revolving fund to operate the storeroom.

The Department of Education (Department) testified in favor of this measure. The Department's storeroom has been used to purchase supplies for the public school system. In this centralized operation costs are supposed to be reduced through consolidation of purchases for the entire system. However, because of the quarterly and annual lapsing of funds, money cannot be accumulated to make larger purchases. As a result, only smaller purchases can be made and cost benefits are reduced.

Your Committee finds that this bill will allow the Department to make more economical purchases by providing the means to accumulate funds. In order to provide a ceiling on this revolving fund the bill requires that balances in excess of \$400,000 at the end of each fiscal year must be returned to the general fund.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2869 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 70-90 Education on H.B. No. 3118

The purpose of this bill is to create a plan for the systematic repair and maintenance of the public library system.

The State Librarian testified that his support of this measure is with the understanding that the bill will not replace or modify the Board of Education's established priorities.

The Department of Accounting and General Services testified against this bill on the basis that development of a systematic plan for the public library system has already been initiated.

Your Committee finds that a systematic repair and maintenance program for public libraries is a critical need and is moving the bill forward to highlight the importance of this issue.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3118 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 71-90 Transportation on H.B. No. 2291

The purpose of this bill is to deposit \$80 million from general excise tax revenues from 1991 to 1995 to the state highway fund.

Your Committee finds that an integrated transportation system that services statewide needs and promotes safe, reliable, efficient, and convenient movement of people and goods is of vital concern to our Island state and is central to Hawaii's economic development. A major component of our transportation system is the state highway system. Currently, the construction and maintenance of the state highway system is financed by the state highway fund, which is supported primarily by revenues obtained from user fees, such as the state liquid fuel tax, the vehicle weight tax, and vehicle registration fees. Due to factors such as the introduction of fuel efficient vehicles and conservation efforts, highway fund revenues have not kept pace with the rapidly rising costs of highway construction and maintenance. Your Committee finds that this bill will provide temporary relief, for a reasonable time, for the purpose of improving the state highway infrastructure system.

Your Committee has amended this bill by changing the transfer period of general excise tax revenues to the State highway fund from September 1, 1991 until 1995, to September 1, 1990 until 1994. This amendment will provide the much needed revenues at an earlier date. This bill is also amended by changing the purpose of the bill to deposit \$80 million from general excise tax revenues from 1990 to 1994 to the state highway fund.

Testimony was presented to your Committee by the State Department of Transportation and the Tax Foundation of Hawaii.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2291 H.D. 1, as amended herein, and recommends that it pass Second Reading and that it be referred to your Committee on Finance.

Signed by all members of the Committee.

SCRep. 72-90 Transportation on H.B. No. 2015

The purpose of this bill is to regulate the transportation of animals in the open bed or load-carrying area of a pickup truck on any public street or highway.

Your Committee finds that animals are susceptible to serious injuries when transported in the open bed or load-carrying area of a pickup truck. Your Committee further finds that should an animal be thrown or jump from the bed or load-carrying area of a pickup truck while travelling on a public highway, a tremendous traffic hazard may be created.

Your Committee was presented testimony in favor of this bill from the Hawaiian Humane Society.

Your Committee on Transportation is in accord with the intent and purpose of H.B. 2015 and recommends that it pass Second Reading and that it be referred to your Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 73-90 Transportation on H.B. No. 2004

The purpose of this bill is to provide funds for the initiation of plans for relocation of state agencies and services to the secondary urban center.

Your Committee on Transportation finds that the volume of traffic between West Oahu and Honolulu has increased tremendously over the years. A significant amount of the traffic is caused by commuters who need to travel to and from Honolulu for employment purposes or government services. Your Committee finds that relocating state agencies to leeward Oahu will help alleviate this growing traffic problem. Your Committee further finds that the construction of the Kapolei Civic Center is in the general plans for the Secondary Urban Center.

Your Committee received favorable testimony from the Department of Transportation and the Office of the Lieutenant Governor.

Your Committee has amended this bill by including an appropriation in the amount of \$1,500,000 for the planning and design of the Kapolei Civic Center.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 74-90 Agriculture on H.B. No. 2284

The purpose of this bill is to enhance consumption of fresh Hawaiian pineapple through promotion in the 22 western states and four western provinces of Canada. This bill would continue the State's financial assistance for the marketing program by appropriating \$300,000 for fiscal year 1990-1991 on a matching basis.

The testimony from the College of Tropical Agriculture and Human Resources, the Department of Agriculture, and the Pineapple Growers Association of Hawaii attested to the need to continue the marketing program to maintain as well as to increase Hawaii's share of the fresh pineapple markets. The industry's marketing program is directed to: (1) increase consumer awareness and generate greater demand and product loyalty; (2) stimulate wholesale and retail trade support; and (3) motivate restaurants, hotels, and clubs to use fresh Hawaiian pineapple.

Your Committee believes that it is in the State's interest to continue support of the pineapple industry's promotion program to encourage stability and growth of the industry in Hawaii.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2284 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 75-90 Agriculture on H.B. No. 2496

The purpose of this bill is to assist the papaya industry with its fresh Hawaiian papaya promotions in Japan. Under this bill, the industry would augment its present promotion program in the Japanese market with an emphasis on the quality of the Hawaiian-grown papaya.

Testimony from the Department of Agriculture and the Hawaii Papaya Industry Association indicated that about 22 per cent of the total papaya production from Hawaii reaches the Japanese market today. Competition from other countries, particularly from the Philippines with its lower cost Hawaii-type solo papaya, is jeopardizing the industry's ability to maintain its share of the Japan market.

Your Committee believes that the industry needs to develop a well designed promotional program to maintain or increase its market share by emphasizing the quality of papayas grown in Hawaii. Upon further consideration, your Committee has amended Section 1 to provide \$100,000 for these purposes.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2496, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 76-90 Agriculture on H.B. No. 3072

The purpose of this bill is to further investigate the steam explosion technique to use sugarcane bagasse, leaf trash, trees, and grass to produce high value chemicals, fuels, cattle feed, and paper pulp. Under this bill, and undetermined amount would be appropriated for fiscal year 1990-1991 to carry on the ongoing study initiated by the sugar industry and the State.

The testimony from the Department of Business and Economic Development, the Governor's Agriculture Coordinating Committee, the Hawaiian Sugar Planters' Association, and the Hawaii Natural Energy Institute of the University of Hawaii indicated that the research on byproduct development, using the steam explosion technology, may transform the depressed sugar industry into a healthy agro-chemical industry. By moving into the next phase, the research would provide valuable information on the products that could be economically prepared and marketed.

Because your committee believes tht this matter deserves further consideration, your Committee has amended Section 2 of the bill by inserting a token appropriation of \$1.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3072, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 77-90 Agriculture on H.B. No. 2497

The purpose of this bill is to find a solution to the papaya industry's problems with diseases. Under this bill, the University of Hawaii will intensify its program to develop new disease resistant varieties of papaya with high yield and long fruit storage and shelf life.

The testimony from the College of Tropical Agriculture and Human Resources (CTAHR), the Governor's Agriculture Coordinating Committee, and the Department of Research and Development of the County of Hawaii indicated that diseases such as the phytophthora and the papaya mosaic ring spot have become major problems. The cancellation of chemicals used for disease control such as the fungicide EDBC has also compounded these problems.

Your Committee learned that there are two promising approaches to help the farmers with the problem:

- (1) By breeding disease resistant germplasm and breeding the resistance into new commercial varieties of papaya with the desirable fruit bearing, storage, and shelf life characteristics; and
- (2) By breeding the disease resistant traits into existing varieties of papaya with proven and known desirable fruit characteristics.

Upon further consideration, your Committee has amended Section 1 to provide \$115,000 for the development of the new varieties of disease resistant papayas and \$30,000 for the development of existing papaya varieties with the disease resistant characteristics.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2497, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 78-90 Agriculture on H.B. No. 2799

The purpose of this bill is to reduce the poaching of livestock by specifying the minimum sentences for this class C felony. Under this bill, the courts could be required to impose the following minimum sentences:

- (1) For a first offense, a fine of at least \$1,000; and
- (2) For subsequent offenses, a fine of at least \$2,000 and a term of imprisonment of at least thirty days, without possibility of suspension of sentence or probation.

Your Committee received testimony in support of this bill from the Honolulu Police Department.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2799 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 79-90 Agriculture on H.B. No. 3070

The purpose of this bill is to enable farmers to obtain quick and ready access to agricultural information and technologies. Under this bill, the cooperative extension agents and specialists of the University of Hawaii would be allocated \$105,000 for fiscal year 1990-1991 to improve the delivery of research-based information to their clientele.

The testimony from the College of Tropical Agriculture and Human Resources, the Governor's Agriculture Coordinating Committee, and the Hawaiian Sugar Planters' Association indicated that these agents and specialists, who are in the forefront of helping farmers, are seriously handicapped by the lack of funds needed to travel, conduct demonstrations and trials, and purchase supplies.

Your Committee believes that this shortcoming should be corrected so that these agents and specialists can perform their jobs fully by assisting farmers with state-of-the-art information and technologies.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3070 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 80-90 Housing on H.B. No. 2890

The purpose of this bill is to authorize the issuance of up to \$100,000,000 of revenue bonds for financing or refinancing the development or acquisition of for-sale housing projects.

The Department of Budget and Finance and the Affordable Housing Alliance testified in favor of this measure.

The Department explained that the existing funds in the Homes and Dwelling Unit Revolving Fund were insufficient to meet the anticipated funding demand because of the accelerated development schedule of the Housing Finance and Development Corporation (HFDC). In addition, the Department also noted that they were anticipating requests from private developers of affordable housing for State assistance in the form of low-interest interim construction financing.

Your Committee finds that there exists a major shortage of affordable housing in Hawaii and agrees that housing production must be increased. To aid HFDC's plans for accelerated housing production, your Committee concurs with the issuance of up to \$100,000,000 in bonds to provide an alternative source of funding for the development and construction of for-sale houses.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2890 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 81-90 Housing on H.B. No. 2885

The purpose of this bill is to request an additional \$50 million for the Homes Revolving Fund.

Your Committee received strong testimony from the Hawaii Finance Development Corporation (HFDC) supporting this measure.

When the Homes Revolving Fund was established in 1988, the HFDC anticipated developing one major planned community at a time, with some overlap in development timetables.

However, because of the acute housing shortage, HFDC has been working at a far more accelerated pace than originally planned. In order to meet its goal of producing 20,000 housing units by the year 2000, HFDC must continue building at a rapid pace.

Ten million dollars of the requested advancement of funds could be used as equity capital for HFDC's Rental Housing System to keep up with the scheduled production of rental units.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2885 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 82-90 Housing on H.B. No. 2170

The purpose of this bill is to appropriate monies for a pilot security project at Mayor Wright Homes and Kalihi Valley Homes.

Your Committee received testimony from the Hawaii Housing Authority in support of this bill.

Your Committee finds that during the last legislative session, \$570,000 was appropriated to the Hawaii Housing Authority to establish a pilot security project at Mayor Wright Housing and Kalihi Valley Homes. The project began with the construction of guardshacks and controlling ingress and egress to the parking lot. In order to complete the project, the Hawaii Housing Authority is now in need of funds to negotiate with a guard service.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2170 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 83-90 Housing on H.B. No. 2977

The purpose of this bill is to appropriate funds to conduct PCB abatement at Kuhio Park Terrace in Kalihi. This will ensure that the public housing units in this Kuhio Park Terrace will be environmentally safer for residents.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2977 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 84-90 Housing on H.B. No. 3049

The purpose of this bill is to appropriate funds for the repair and maintenance for Wahiawa Terrace and Kauhale Nani housing project on Oahu.

Your Committee finds that funding for the resurfacing and restriping of the parking lots in Wahiawa Terrace and Kauhale Nani will allow the Hawaii Housing Authority to continue to maintain the structure and appearance of these developments.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3049 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 85-90 Housing on H.B. No. 2472

The purpose of this bill is to exempt from the general excise tax amounts received as rental income from a room, apartment or house which is the principal residence of the renter for not less than 180 consecutive days.

Your Committee received testimony in support of this bill from the Tax Review Commission, the Tax Foundation of Hawaii, and the Hawaii Association of Realtors. The Tax Foundation indicated that the bill would correct an existing inequity which exempts homeowners from the excise tax but not renters.

Your Committee received testimony against the bill from the Department of Taxation and the Affordable Housing Coalition. The Department of Taxation indicated that a renter's tax credit is already provided by Section 235-55.7, Hawaii Revised Statutes, to give low-income renters tax relief.

The Affordable Housing Coalition indicated that since rental prices are determined by the market and not by the imposition of excise tax, the proposed exemption would not result in any savings for the renter. The Coalition also expressed concern that the proposed exemption would lead to a repeal of the renter's tax credit which presently gives a direct and tangible benefit to renters.

While the aforementioned concerns are noted, your Committee believes that the exemption provided in this measure to renters is in the best interests of the people of the State of Hawaii.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2472 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 86-90 Housing on H.B. No. 690

The purpose of this Act is to provide rental housing for low and moderate income persons.

H.B. No. 690 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 Housing is in accord with the intent and purpose of H.B. No. 690, as amended herein, and recommends that it be recommitted to the Committee on Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 690, H.D. 1.

Signed by all members of the Committee except Representatives M. Ige, Ihara, Kawakami, Leong, Peters and Tam.

SCRep. 87-90 Tourism and Intergovernment Relations and International Affairs on H.B. No. 2382

The purpose of this bill is to require that revenues from the transient accommodations tax be paid into the general fund and distributed to the counties.

The bill requires the deposit of transient accommodations tax revenues into a special trust fund. The State would retain an unspecified percentage for tourism promotion and distribute the remainder among the counties, according to an unspecified formula.

Your Committees received varying testimony on the issue of administration of the transient accommodation tax. Some testifiers proposed the complete transfer of the tax to the counties. Other testimony received called for the sharing of revenues, but keeping administration of the tax within the State government. The State Administration proposed a complete transfer.

Your Committees received testimony in qualified support of the intent of the measure from the Kauai County Council, the City and County of Honolulu Budget Department, Outrigger Hotels, the Hawaii Hotel Association, and other individuals. Testimony in opposition to the intent of the measure was received from the Department of Taxation, the Honolulu City Council, and the Hawaii County Department of Finance.

It is the understanding of the Committees that the Legislature initiated the transient accommodations tax in 1986 for the purpose of funding tourism promotion, the convention center, and infrastructure improvements.

Your Committees find that although the convention center will not present as great a financial burden as originally planned, tourism promotion remains a state function and thus, responsibility for administering its source of funding, the transient accommodations tax, should also remain with the State.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2382 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bybee, Horita, Okamura.

SCRep. 88-90 Tourism on H.B. No. 3165

The purpose of the bill is to encourage young people to seek careers in the visitor industry by providing funds to the Visitor Industry Education Council for the latest in a series of informational videos on the visitor industry, which contains career information.

The bill appropriates \$50,000 to the Visitor Industry Education Council, through the Department of Business and Economic Development, for the production of the fifth in their popular video series. By encouraging people to enter the visitor industry, this series of videos serves to help alleviate the projected labor shortage in this crucial sector of Hawaii's economy.

Your Committee received favorable testimony from the Departments of Business and Economic Development, and of Labor and Industrial Relations, the University of Hawaii School of Travel Industry Management, and the tourist industry. In addition, your Committee saw a video and concluded that it clearly communicated its message of the benefits of careers in the tourism industry, in a manner that would appeal to its target audience of young persons.

Your Committee made no amendments to the bill.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 3165 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Horita and Okamura.

SCRep. 89-90 Tourism and Human Services on H.B. No. 2297

The purpose of this bill is to help alleviate the labor shortage in the visitor industry and encourage workers to enter or remain in that field by establishing a two-year pilot program for at least one childcare project in each county. The bill also provides for better assessment of childcare needs by including childcare in environmental impact statements.

The bill originally called for the Department of Business and Economic Development, in coordination with other state and county agencies, to plan and administer a pilot childcare program, including partial subsidies of worthy childcare projects, and to look at possible models to follow for its own project at the end of the two year period. The bill also amended the Hawaii Revised Statutes Chapter 343 to add a new section requiring that environmental impact statements include effects on childcare.

Your Committees received testimony from the Departments of Business and Economic Development and Labor and Industrial Relations, from the Governor's Office of Children and Youth, and from the visitor industry.

In following the recommendations of both DBED and OCY, your Committees have amended the bill and designated OCY as the lead agency. Your Committees also removed the last clause in the appropriation section, which required that the program spend an unspecified portion of its funds for assistance in starting up projects.

Your Committees also deleted sections 2 and 6 referring to amending H.R.S. chapter 343 and renumbered the subsequent sections, after the state Department of Health Office of Environmental Quality Control brought to our attention the fact that the environmental impact statement process is currently undergoing a comprehensive review by the University of Hawaii Environmental Center and will soon make its recommendations. If those recommendations do not address childcare, the Office of Environmental Quality Control said that the issue of childcare in environmental impact statements would best be addressed by changing Hawaii Revised Statutes chapter 200, rather than chapter 343.

Your Committees on Tourism and on Human Services are in accord with the intent and purpose of H.B. No. 2297, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Leong, Okamura, Peters and Cavasso.

SCRep. 90-90 Education on H.B. No. 2313

The purpose of this bill is to appropriate funds for the establishment of twenty-five library assistant positions.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the library staff from the Mililani Uka Elementary School. Although the Department of Education supported the measure, it recommended that the measure be deferred for consideration in the 1991-93 biennium budget.

The establishment of twenty-five library assistant positions will free the affected librarians from clerical tasks, and enable these professionals to interact more effectively with teachers and students. Your Committee therefore finds that these positions should be funded in the current supplemental budget for implementation as soon as practicable.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2313 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 91-90 Education on H.B. No. 2210

The purpose of this bill is to make an appropriation for twenty-one additional counselors to the Department of Education to meet the special needs of at-risk students.

The Hawaii State Teachers Association and others testified in favor of this measure. The Department of Education (Department) agreed with the need for additional counselors, but opposed language which would promote counselors for a special target group. The Department position is that counseling as a service unique to each student as an individual.

Your Committee agrees with the Department that counselors should serve all students who need counseling. We also believe that schools should be given flexibility in determining how these counseling positions are used.

This bill has been amended accordingly, by removing all language relative to the use and distribution of these counselor positions, by increasing the number of counselor positions to thirty, and by adding language to require consultation with school principals in the allocation of these positions. Your Committee also amended this bill for purposes of style and clarity.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2210, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 92-90 Health on H.B. No. 2664

The purpose of this bill is for the State to establish regulations to protect the health of the public with regards to non-ionizing radiation, including electromagnetic radiation.

A number of scientific studies have raised concerns regarding non-ionizing radiation in the form of electromagnetic fields generated by power lines, broadcast transmitters, and video terminals. These forms of radiation may interfere with basic biological processes in living things. The people of the State are concerned with the exposure they may be subjected to from high power lines and in the work place through video display terminals.

A typographical error is corrected as follows in section 2.(21) line 16, non-iodizing is changed to non-ionizing.

Your committee received favorable testimony from the Department of Health.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2664, H.D. 1 and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 93-90 Health and Planning, Energy and Environmental Protection on H.B. No. 2669

The purpose of this bill is to require any person proposing to release in the State a genetically modified organism to prepare an environmental assessment that ensures that all impacts to a specific location are considered pursuant to section 343-5(a)(9).

Your committees received testimony in support of this measure from the Department of Health, State of Hawaii Office of Environmental Quality Control, and University of Hawaii at Manoa Environmental Center. Testimony in opposition was received from Hawaii Biotechnology Group, Inc.(HBG). The Department of Health and the University of Hawaii suggested language changes to this bill which would strengthen and clarify it.

Your committees found potential environmental risks to the State associated with the release of genetically modified organisms. Therefore, prior to their release, State government officials should scrutinize genetically modified organisms to be used for any purpose including research, tests, or commerce. Furthermore, testimony indicated that the State can not rely entirely on the federal government to regulate this rapidly developing field due to gaps in its permitting/review process. One gap is the "across the board" review of these types of projects. For example, on the island of Kauai, the federal government found that an environmental assessment was not needed for a bioengineered cotton in light of findings of no significant impacts on a similar study in the mainland. This federal "across the board" review failed to address the risks that the genetically modified cotton potentially had on the native cotton growing on Kauai. In addition, in 1988, the Office of Technological Assessment reported in Field-Testing Engineered Organisms that a review of these projects is needed on a case by case basis. In conclusion, the majority of the testimony supported this important measure to protect our environment from risks from organisms that have been genetically modified at either the molecular or single cell level using the technique of genetic engineering.

Your committees have amended this bill to reflect new language in the following areas:

Section 1.

The penalty clause has been deleted.

The phrase in the State has been inserted after the word release. This eliminates any ambiguity between those organisms modified in the state and those modified outside the state.

The following language that has been altered at the molecular or single cell level has been inserted after the word organism.

Section 2.

The phrase in the State has been inserted after the word release. This is the same change as inserted in section 1 for the same reason.

The following language that has been altered at the molecular or single cell level has been inserted after the word organism.

The Committees also agreed that the referral to the Judiciary Committee was unnecessary with the removal of the penalty from section 1.

Your Committees on Health and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 2669, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2669, H.D. 1., and be placed on the calendar for Third Reading.

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

SCRep. 94-90 Intergovernmental Relations and International Affairs on H.B. No. 3454

The purpose of this bill is to appropriate funds to the counties to enable them to maintain and further develop community crime prevention programs, and to hire support staff for these programs.

Your Committee finds that crime prevention cannot be the responsibility of the police department alone, and must involve vigorous community involvement and education. Further, such programs contribute to the partnership between the police and the community, with both working together to provide a safe and secure environment. The funds appropriated by this measure will enable the police departments to meet the growing demands of existing programs, and assist the development of new programs.

Testimony in support of this measure was submitted by the Honolulu Police Department. The HPD testified that they currently have over 20,000 citizens participating in crime prevention programs, and expect that number to increase to 100,000 in five years.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3454 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 95-90 Housing on H.B. No. 3111

The purpose of this bill is to establish a two-year pilot project for the development of 50 to 100 new cooperative housing units for low income families.

Your Committee received testimony in support of this bill from the Housing Finance and Development Corporation and the Affordable Housing Alliance.

The Housing Finance and Development Corporation recommended that the scope of the proposed pilot project be expanded to include the conversion of at least one rental project to the limited equity housing cooperative form. The Corporation also recommended that \$150,000 be appropriated for a feasibility analysis and planning since construction moneys would be recovered through the sale of cooperative shares.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Expanded the scope of the project to include the conversion of at least one rental project to the limited equity housing cooperative form in order to provide housing opportunities for low income families; provided that at least two-thirds of the tenants of the rental project agree to the conversion and the rental project is one that is either on the market for sale or about to be placed on the market for sale;
- (2) Indicated that the moneys appropriated shall be used for a feasibility analysis and planning; and
- (3) Appropriated \$150,000 for implementation of the project.

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3111, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 96-90 Housing on H.B. No. 2976

The purpose of this bill is to appropriate moneys for the installation of a canopy over the maintenance shop at Kuhio Park Terrace, Oahu.

Your Committee received testimony in support of this measure from the Hawaii Housing Authority. This testimony indicated that installation of the canopy is necessary for the continued upkeep of the maintenance facility, which in turn will help the Hawaii Housing Authority better serve the residents of Kuhio Park Terrace.

Your Committee has amended this bill to increase the appropriation amount to \$100,000.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2976, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2976, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 97-90 Housing on H.B. No. 2279

The purpose of this bill is to appropriate funds for a comprehensive study on the feasibility of a reverse equity mortgage program for persons on a fixed income who are sixty-five years of age or older.

Your Committee heard testimony in support of the bill from the Housing Finance and Development Corporation, the Hawaii Association of Realtors, and the Small Landowners Association.

However, the Housing Finance and Development Corporation recommended that the proposed study include an update of a 1984 Legislative Reference Bureau study entitled, A Home Equity Conversion Program for Hawaii's Elderly. The Corporation also recommended that the study assess the pros and cons of establishing a State program versus a program administered by a provide non-profit entity. Finally, the Corporation testified that a complete study would cost \$100,000.

Additionally, the Small Landowners Association advised that the bill address the problem of escalating "expenses" faced by the elderly, rather than focusing solely on increased lease rents.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Deleted from the purpose clause the reference to astronomical increases in land lease rent payments;

- (2) Directed that the proposed study include an update of the 1984 Legislative Reference Bureau study entitled, A Home Equity Conversion Program for Hawaii's Elderly;
- (3) Directed that the proposed study examine the pros and cons of State administration of a reverse equity mortgage program versus administration by a private, non-profit entity; and
- (4) Increased the appropriation for the study to \$100,000.

Additionally, your Committee finds that existing language directing the study to examine reverse equity mortgages as they relate to specific parties named in the bill may be confusing. Accordingly, your Committee has amended the bill by deleting the foregoing language.

Your Committee has further amended the bill to direct that the study examine whether funds drawn from a reverse equity mortgage will be considered as income.

Technical, nonsubstantive amendments have also been made to the bill for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2279, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-90 Housing on H.B. No. 2458

The purpose of this bill is to appropriate moneys for a study which will examine existing programs within the Housing Finance and Development Corporation and provide guidelines and necessary proposed legislation for the establishment and operation of a rental housing trust fund.

Your Committee received testimony in support of the trust fund from the Housing Finance and Development Corporation, the Affordable Housing Alliance, Homeless Aloha, Inc., and other organizations.

Testimony in opposition to the bill was submitted by the Hawaii Association of Realtors which expressed concerns about the sources of trust fund revenue listed in the bill, i.e., interest from earnest money in escrow on real estate transactions and other real estate sales escrow accounts; and interest from tenant security deposits.

Although progress is being made towards providing more affordable for-sale homes, there remains a substantial and unmet need for affordable rental housing, particularly for low income and special needs groups. Accordingly, your Committee finds that it is in the public interest to establish a continuously renewable resource such as the proposed rental housing trust fund to assist very-low and low income families to obtain affordable rental housing. The study proposed by this bill would be the first step towards establishing such a fund.

Your Committee has amended this bill by:

- (1) Removing references to specific sources of trust fund revenue and adding language which directs examination of all potential sources of revenue; and
- (2) Specifying that the trust fund be targeted for very low and low-income families.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-90 Labor and Public Employment on H.B. No. 3386

The purpose of this bill is to provide a tax credit against an employer's tax liability for hiring persons with disabilities who encounter significant barriers to employment.

Each taxpayer subject to chapter 235 is allowed to deduct a targeted jobs credit against the taxpayer's net income tax liability. A tax credit exceeding the taxpayer's income tax liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted.

The credit for a taxable year will be equal to 40 percent of the first year wages paid to all newly hired vocational rehabilitation referrals for that year. The amount of the first-year wages that may be taken into account for each qualified individual shall not exceed \$6,000 per year.

The Department of Taxation was concerned that the bill would provide a double benefit to the wages paid to the targeted employees as a deduction as well as the credit. As a result, your Committee has amended the bill to specify that a double benefit would not be allowed.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3386, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 100-90 Labor and Public Employment on H.B. No. 2928

The purpose of this bill is to provide that all physical examinations required by the Director of Personnel Services shall be provided without cost to applicants.

This bill also provides funding to implement this measure for the first year, including hiring a temporary employee to develop and coordinate this program. Funding is necessary as these costs have not been included in the department's supplemental budget request.

Your Committee finds that all new employees entering the state civil service are required to take preemployment physical examinations. The costs of these examinations are borne by the applicants. As a result, requiring prospective state government employees to pay for their physical examinations impacts the State's recruitment program.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2928 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 101-90 Labor and Public Employment on H.B. No. 2889

The purposes of this bill, which affects retirees with fewer than ten years of service, are the following:

- (1) Recognize that the Health Fund's benefit plan has four component parts: a medical plan, a prescription drug plan, a vision care plan, and an adult dental plan;
- (2) Assign the present public health employer health benefit contribution for health benefits to the medical plan component for hospital, surgical, and medical benefits; and
- (3) Provide the Legislature with a vehicle to determine the amount of state and county public employer contributions for retirees who enroll in the Health Fund's prescription drug, vision care, and adult dental plans.

Under the present Health Fund law, retirees with fewer than ten years of service are eligible and have enrolled in the Health Fund's new benefit plans. However, they are required to pay the entire monthly premium for their new benefit plan coverages since no public employer contribution has been established. This measure will require public employers to pay one-half of each retiree's monthly premium based on active employee rates.

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. 2889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2889, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 102-90 Labor and Public Employment on H.B. No. 2929

The purpose of this bill is to fund specific repricing actions in the recommended compensation plan of the Executive Branch of the State of Hawaii. The specific actions to be funded are the repricing of all civil service Secretary, Private Secretary and School Administrative Services Assistant classes.

Pay inequities were a long standing problem for the secretaries during the past 12 years, therefore, the bill seeks to fund the added cost of repricing action affecting secretaries.

While repricing actions are normally funded by the employing departments, this method of funding is not adequate given the number of employees affected. The added funds are essential to avoid serious repercussions in the employing departments.

The bill received favorable support from the Public Employees Management Association of Hawaii, the Department of Personnel Services, the Department of Education and the Hawaii Government Employees Association.

Your Committee has amended this bill by inserting the appropriation amounts.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2929, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 103-90 Labor and Public Employment on H.B. No. 2932

The purpose of this bill is to fund specific repricing for civil service adult corrections officer, youth corrections officer, registered professional nurse and anesthesiologist classes in the recommended compensation plan of the Executive Branch of the State of Hawaii.

While a substantial number of heavily populated classes were repriced during recent reviews, most departments would be unable to fund the increased payroll costs from existing appropriations without substantial delay in filling vacant positions or, conceivably, transferring funds from other program areas. Therefore, added funds are essential to avoid serious fiscal repercussions in the employing departments.

The bill received favorable support from the Department of Personnel and the Department of Corrections.

Your Committee has amended this bill by inserting the appropriation amounts.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2932, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 104-90 Labor and Public Employment on H.B. No. 2936

The purpose of this bill is to provide for the appointment of an administrative rules officer and administrative rules specialists as necessary to assist in the analysis, drafting, and adoption of administrative rules and the issuance of other memoranda relating to the taxes administered by the Department of Taxation.

Over the past three years, the Department of Taxation has hired attorneys to draft administrative rules on a variety of topics, including the application of the general excise tax on telecommunications, the transient accommodations tax, the liquor tax, and the Natural Disaster Claims Commission.

Your Committee finds that the designation of permanent positions for an administrative rules officer and specialist under the direction of the Director of Taxation will assure that the administration of tax laws and policy is set forth in a systematic and logical order.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2936 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 105-90 Labor and Public Employment on H.B. No. 2261

The purpose of this bill, as received by your Committee, is to establish the Governor's Advisory Task Force on Labor Shortage. This task force would consist of outstanding labor and business representatives from each of the counties to evaluate the problems facing both employers and employees.

Your Committee finds that with the many challenges Hawaii faces with an expanding economy, long-term decline in the unemployment rate, and tremendous stresses on the family, there is an urgent need to establish a task force to review and recommend the full spectrum of programs and mechanisms available to resolve labor shortages in the State.

As we draw closer to the beginning of a new century, your Committee recognizes the urgency of the mission of this task force. Your Committee believes that this task force can be successful only if the Governor lends his full support by promptly appointing task force members as soon as possible.

Testimony in support of the intent of this measure was received from the Department of Labor and Industrial Relations and the State Commission on Employment and Human Resources.

The Department of Labor and Industrial Relations testified that it has been working on labor-related issues and it would be the most appropriate agency to administer this task force. Accordingly, your Committee has amended this bill to reflect that the Department, and not the Office of the Governor, will administer the Task Force on Labor Shortage.

Your Committee has further amended this bill to provide that the task force include in its review ways to improve coordination for retraining and work force training programs.

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. 2261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2261, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 106-90 Labor and Public Employment on H.B. No. 2924

The purpose of this bill is to provide recruiting flexibility to enhance the State's ability to fill temporary vacancies through temporary appointments provided there is less than five eligibles on a list and no selection was made from such a list that was certified as appropriate.

This bill will allow the director to authorize temporary appointments to temporary vacancies when there is less than five eligibles on a list. The current law prohibits temporary appointments to temporary vacancies so long as a list is available.

Testimony in support of the intent of this measure was received from the Department of Personnel Services and the Hawaii Government Employees Association.

Your Committee has amended this bill by requiring the Director of the Department of Personnel Services to submit to the Legislature a report of all vacancies filled through temporary appointments authorized by this act twenty days prior to the convening of the 1991 regular session.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2924, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 107-90 Labor and Public Employment on H.B. No. 2580

The purpose of this bill is to provide that employees of the State and counties be entitled to a total of 24 weeks of unpaid family leave for the birth, adoption, or foster care of a son or daughter or to care for the employee's child or parent who is seriously ill.

In addition to more common forms of maternity and paternity leave, your Committee finds that older adult caregiving is fast becoming a concern of individuals, families, and employers. As the population ages, there will be greater pressures to cope with growing families and older family members. Unfortunately, with the lack of family leave employment policies, many working parents find themselves in the intolerable position of choosing between financial and job security versus the responsibilities of parenting and taking care of one's family. Your Committee hopes that a supportive family leave policy will help to reduce work distractions, absenteeism, and tardiness.

Your Committee received testimony that this measure may supersede existing collective bargaining provisions for taking leave for personal business of an emergency nature for up to 52 weeks. To ensure that existing benefits are not supplanted by this measure, your Committee has amended this bill to provide that an employer may limit the combined number of weeks of family or any leave permitted under Chapter 79 of the Hawaii Revised Statutes to not more than 52 weeks.

This bill, as received by your Committee, allows employees to take family leave if a son, daughter, or parent has a serious health condition. Since an employee would also be affected when a spouse becomes seriously ill, this bill has been amended to also allow employees to take family leave if a spouse has a serious health condition.

In addition, the term "spouse" has been defined as an individual who is lawfully married to the officer or employee under the laws of this State.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 108-90 Finance on H.B. No. 2946

The purpose of this bill is to allow public access to certain information relating to compromises of tax claims made with the State.

Your Committee heard testimony in favor of the bill from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

Section 231-3(10), Hawaii Revised Statutes, authorizes the Department of Taxation, with the approval of the Governor, to compromise any tax claim arising under any tax law the Department administers. The compromise of a taxpayer's tax, penalty, and interest liability reduces the amount that taxpayers must pay to clear up delinquent accounts.

Your Committee finds that it would be in the public interest to make these records, such as the taxpayer's name and the type and amount of tax compromised, available for public inspection.

Your Committee has 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. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2946, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 109-90 Finance on H.B. No. 186

The purpose of this bill is to increase the towing charges for vehicles left unattended on private and public property to not more than \$35 a tow and \$40 a tow when a dolly is used.

Your Committee heard testimony in favor of this bill from the Hawaii Automotive and Retail Gasoline Dealers Association and Trouble Call Service.

Your Committee has amended this bill to increase the towing fees to \$40 a tow and \$50 a tow when a dolly is used to help keep up with inflationary costs of doing business. Your Committee finds that these increases are fair and reasonable when considering the costs of the service to the community.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 186, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 186, H.D. 2.

Signed by all members of the Committee.

SCRep. 110-90 Higher Education and the Arts on H.B. No. 2963

The purpose of this bill is to raise the amount of indirect overhead funds deposited into the University of Hawaii research and training revolving fund from fifty to seventy-five per cent. These funds are generated by the university for research and training purposes.

Research and scholarly activities at the university have contributed significantly to the economic growth of the State. An increase in the allocation from fifty to seventy-five per cent will permit the university to invest in new research areas that have the potential of developing into major research programs.

While this increase will assist the university, your Committee is gravely concerned about a resultant increase in hazardous waste production that this will cause.

Your Committee has therefore amended the bill by adding a new section to allow the university to use money from the revolving fund to offset any increased cost in disposing of hazardous waste. Your Committee believes this is a proper method to address this very serious problem.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2963, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 111-90 Higher Education and the Arts on H.B. No. 2962

The purpose of this bill is to establish a revolving fund for the conference center program in the college of continuing education and community service of the University of Hawaii, Manoa campus.

According to testimony received by the university's Interim Vice President for Academic Affairs, the college acts as agent in coordinating and providing logistical support in the organizing of seminars, conferences and institutes. This bill would enable the college and the university to provide the support services required by sponsors in the conduct of these activities.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2962 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 112-90 Higher Education and the Arts on H.B. No. 3043

The purpose of this bill is to supplement the wage increases for student assistants at the University of Hawaii.

Currently, there are approximately 400 student jobs vacant, with a majority of them in the lower classification category. On January 1, 1990, the administration raised the university's minimum wage from \$3.85 to \$4.50 an hour. It is hoped that the increase in the student assistant wage scale will attract students to work in on-campus positions, instead of taking off-campus jobs which have proven to be more lucrative for students.

Your Committee received testimony in favor of this measure from the University of Hawaii's Vice President for Student Affairs.

According to testimony, the amount requested was based on a survey taken in March 1989. Currently, there is no updated information available. Therefore, your Committee amended the bill to exclude a specific dollar amount, which can be inserted at a later date by your Committee on Finance.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3043, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 113-90 Higher Education and the Arts on H.B. No. 3348

The purpose of this bill is to authorize the issuance of general obligation bonds for various capital improvement projects for the University of Hawaii.

The capital improvement projects included in this bill are considered to be of utmost importance for the University. Without these capital improvements, the University of Hawaii will be unable to provide quality undergraduate education and compete with other world class research institutions. In addition, many programs are sorely in need of renovated buildings for accreditation purposes.

Your Committee received numerous testimony in favor of the bill, including testimony from the University of Hawaii's Vice President for Finance and Operations, who recommended certain technical amendments.

Your Committee has amended the bill by incorporating these recommendations as follows: added design cost element to item 1; made reference to federal matching funds in item 5; changed Phase II to Phase III in item 7; and deleted item 13.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3348, as amended herein, and recommends that it pass Second Reading, in the form attached hereto as H.B. No. 3348, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 114-90 Ocean and Marine Resources and Water and Land Use on H.B. No. 2132

The purpose of this bill is to appropriate funds to replenish the sand at Ala Moana beach and that the sum appropriated shall be used for environmental studies, engineering studies, and otherwise to ascertain whether it is feasible and appropriate to reclaim sand from the water adjacent to Ala Moana beach. If it proves unfeasible or undesirable to reclaim sand from the lagoon adjacent to Ala Moana beach, then the appropriation shall be used to replenish the sand from some other source.

The Department of Transportation (DOT), the Department of Parks and Recreation, the University of Hawaii at Manoa Environmental Center and Seafloors Survey International submitted testimony in support of the intent of the bill but recommended that sand be recovered from other offshore areas. Dredging the offshore channel as the source for sand replenishment would reveal unsuitable material for beach use.

Your Committees also heard testimony from the Waikiki Improvement Association in opposition to this measure. They favor the passage of House Bill 2401 which appropriates \$2 million to DOT to fund restoration and widening of Waikiki and Ala Moana beaches through a demonstration sand recovery project.

Your Committees have amended this bill to include the method of sand pumping as part of the engineering studies to be undertaken for this project. The bill was further amended to appropriate \$500,000 out of the general revenues for the replenishment of sand at Ala Moana beach.

Your Committees on Ocean and Marine Resources and Water and Land Use are in accord with the intent and purpose of H.B. No. 2132, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2132, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hashimoto.

SCRep. 115-90 Ocean and Marine Resources and Water and Land Use on H.B. No. 2245

The purpose of this bill is to appropriate out of the general revenues the sum of \$800,000 or so much as may be necessary for fiscal year 1990-1991, for the Department of Land and Natural Resources to determine the feasibility of cleaning the Ala Wai Canal for the express purpose of improving water quality in the Canal to standards acceptable for water-based recreational activities and to prepare an environmental impact statement.

Your Committees heard testimony in strong support of this measure from the Department of Land and Natural Resources, the Department of Transportation, the Department of Public Works, the City Council, the Department of Parks and Recreation, the University of Hawaii Sea Grant Extension Program, the University of Hawaii at Manoa Environmental Center, the Ocean Recreational Council of Hawaii(TORCH), the Hawaii Hotel Association, the Waikiki Improvement Association, various other organizations and private citizens.

Testimony indicated that the Ala Wai Canal has long been an embarrassment to our community, a disgraceful eyesore to our tourist industry, a health hazard, a source of poor water quality and a disgusting problem of litter, debris and various pollutants. This bill recognizes the potential valuable asset of the Canal as both a recreational and aesthetic resource for the residents and visitors of Hawaii.

Your Committees have amended the bill to state that the limits of the non-point source of pollution include the entire watershed area of the Makiki, Palolo and Manoa Streams.

Your Committees on Ocean and Marine Resources and Water and Land Use are in accord with the intent and purpose of H.B. No. 2245, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2245, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hagino and Hashimoto.

SCRep. 116-90 Ocean and Marine Resources on H.B. No. 2262

The purpose of this bill is to ensure the effective management of Hawaii's fishing resource by establishing an advisory task force within the Department of Land and Natural Resources to evaluate the adequacy of the State's fishing laws and rules.

Your Committee heard testimony in support of this bill from the Department of Land and Natural Resources (DLNR), the University of Hawaii at Manoa Environmental Center, the Ocean Recreation Council of Hawaii (TORCH), Malama Na I'a, Hawaii Fishing Coalition, Inc., Aiea Boat Club, Haleiwa Trolling Club, and Hawaii's Thousand Friends.

Testimony from DLNR stated that the most cost-effective use of the appropriation may be through hiring an expert consultant firm knowledgeable in aquatic resources management. DLNR maintains that this course of action would insure full-time attention to the report, rather than the task force members devoting their spare time to producing the required document.

Additional testimony revealed concern that the task force composition from the public-at-large would not have the extensive technical knowledge required to make the determinations requested and that the time frame would be too short to do an adequate job.

However, your Committee finds that a diverse task force composed of experts from the wildlife and fisheries community will present a more objective perspective of our State's fishing laws. They should also be able to address the problems and concerns of the State's commercial and recreational fishermen.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2262 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 117-90 Consumer Protection and Commerce on H.B. No. 2537

The purpose of this bill is to restore the Real Estate Commission's authority to investigate any denial of condominium owners' rights to obtain information about their projects and the enforcement of those rights.

The Real Estate Commission explained that the Legislature had passed a bill last session which included a more comprehensive section on owners' rights to access information about their project under section 514A-83.5. However, the bill had inadvertently left out an updating of sections 514A-46, 47, 48 and 49 which provide for the Commission's investigatory and enforcement authority. The Commission requested that this bill be passed to correct this situation. The bill would also change the penalties imposed under section 514A from criminal to civil penalties. The Commission noted that thus far no criminal penalties had been imposed and that it believes that civil penalties would be adequate.

The Hawaii Independent Condominium and Co-operative Owners (HIICCO) supported sections 1-3 of the bill but opposed any effort to weaken the existing penalty provision provided under the current statute.

The Hawaii Association of Realtors and a representative of condominium owners supported the bill.

Your Committee agrees with the Real Estate Commission that penalties under section 514A should more appropriately be civil penalties.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2537 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 118-90 Consumer Protection and Commerce on H.B. No. 2467

The purpose of this bill is to exempt the amounts received by the plan manager of a time share association established under Chapter 514E, Hawaii Revised Statutes.

Your Committee heard testimony from the Department of Taxation which opposed enactment of this measure because the amount paid to the time share association included sums paid for maid and linen services, repair and replacement of interior furnishings, and additional administrative and operating costs incidental to scheduling occupancy of time share apartments and exchanges of time interval units. The department stated that these expenses were similar to expenses of hotels, vacation rentals, or other transient accommodations. The department also stated that time share projects are not alternatives to home ownership, but a method of ensuring vacation accommodations for their owners. The stated activities are analogous to business activities which are not given an exemption or deduction from the general excise tax.

Your Committee also heard testimony from time share associations and the Chamber of Commerce of Hawaii who were in favor of the general excise tax exemption because of the similarity of functions by condominium associations under Chapter 514A, Hawaii Revised Statutes and time share associations under Chapter 514E, Hawaii Revised Statutes. The time share associations and the Chamber of Commerce testified that both condominium associations and time share associations collect money from their members and use it to pay for common expenses associated with the common areas.

The time share associations testified that they can identify, in their bookkeeping, the fees of maid and linen service, repair and replacement of interior furnishings and additional administrative and operating costs associated with scheduling occupancy of time share apartments, thus enabling those services to be taxed.

Your Committee notes that time share projects have similarities with both hotel-type operations and condominiums. Therefore, the issue of whether or not fees collected by these entities to run these projects should or should not be taxed is not clear-cut. However, to afford the affected parties further opportunity to analyze these issues, your Committee is of the view that this bill should be kept alive. Moreover, if it is determined that this tax should be collected from the time share associations, it should be a prospective tax.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2467 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 119-90 Consumer Protection and Commerce on H.B. No. 2312

The purpose of this bill is to amend various state and county bond laws to allow credit unions to purchase revenue and special purpose revenue bonds issued by the State and the Counties as legal and authorized investments.

Your Committee heard testimony in favor of this bill from the Department of Commerce and Consumer Affairs, Division of Financial Institutions and the Hawaii Credit Union League. The commissioner of Financial Institutions testified that they do not perceive any threat to the safety and soundness of credit unions. The Hawaii Credit Union League testified that allowing credit unions to purchase these bonds will be mutually beneficial to both the state and counties and to credit unions because the state and counties would have another authorized purchaser for their bonds and credit unions would be able to diversify their investment portfolios with safe investments.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2312 and recommends that it pass Second Reading and be referred to the the Committee on Finance.

Signed by all members of the Committee.

SCRep. 120-90 Health on H.B. No. 2699

The purpose of this bill is to ensure and maintain the health, safety, and well-being of the community by establishing specific goals and timetables. The bill proposes to amend Chapter 321, HRS, by adding a new section entitled "Policy Implementation Program."

Representatives from the Department of Health, International Brotherhood of Electrical Workers, Local Union 1357 and the Estate of James Campbell submitted testimony in support of this bill.

Public comments focused on sections (b) (1), relating to hazardous waste incinerators; (b) (2), relating to protection of workers from health risks associated with video display terminals; and section (b) (3), relating to the removal of FM radio and television transmission towers near residential dwelling units.

Testimony called into question the need in Hawaii for any hazardous waste incinerator. Consequently, your Committee has amended the bill to propose a ban on such facilities in the state of Hawaii.

Testimony also supported health department rules to protect the health of all workers who are exposed to non-ionizing radiation from video display terminals, and especially of pregnant workers. Your committee amended this section to leave the details of such rules to the department of health.

Testimony was received from Campbell Estate in support of moving the existing radio and TV towers out of urban areas, as well as for prohibiting the construction of new towers. Consequently, your committee amended the bill to include all existing towers. In addition, the original language prohibiting towers within one mile of residential dwellings was modified to one-half mile. It is the understanding of the Committee that more specific language on this issue of distance will be submitted to the next committee at the time of public hearing.

Finally, since another bill under consideration this year deals directly with penalties for cruise vessels who pollute, that section of the bill was deleted.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2699, H.D. 1, and be referred to the Committee on Planning, Energy, and Environmental Protection.

Signed by all members of the Committee.

SCRep. 121-90 Consumer Protection and Commerce on H.B. No. 2293

The purpose of this bill is to strengthen the regulatory framework for financial institutions and to preserve public confidence in the health of these institutions by conducting a comprehensive review of the State's laws relating to financial institutions.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs, Division of Financial Institutions and the Hawaii Financial Services Associations who spoke in favor of this measure. The Commissioner testified that the State's laws relating to financial institutions are among the oldest in the nation and the amendments to the laws affecting financial institutions have been done in a piecemeal fashion. Further, the Conference of State Bank Supervisors recommended that the division of financial institutions pursue a recodification of the State's banking laws. The Commissioner of financial institutions testified that a recodification would also benefit financial institutions, attorneys, accountants, regulators, and the community by clarifying and articulating what is expected and permissible for financial institutions in providing their services to the community. Your Committee notes that in recent years, Hawaii's laws relating to corporations and insurance have undergone extensive review and recodification. These changes have served to modernize our laws in these areas and to provide a more cohesive framework for these laws. A review of the laws relating to financial institutions is long overdue.

Your Committee amended the bill by changing the sum to be appropriated out of the general revenues from \$150,000 for fiscal year 1990-1991 and \$150,000 for fiscal year 1991-1992 to \$300,000 for fiscal year 1990-1991 and no appropriation for fiscal year 1991-1992. This amendment was made to allow the commissioner of financial institutions flexibility in using the appropriated sum to gather data from the industry in completing the study.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2293, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 122-90 Health on H.B. No. 3435

The purpose of this bill is to amend Chapter 457 of the Hawaii Revised Statutes to allow for prescription authority among nurses in specific circumstances.

Your committee heard testimony from the Department of Health, the Board of Nursing, Hawaii Nurses' Association, the Interim Dean and faculty members of the University of Hawaii School of Nursing, and various nurses in advanced practice, all of whom were supportive of the intent of the bill. The amendments suggested by the health department, regarding the type of registered nurse who would be allowed prescriptive privileges, the formulary of medications, the program to prepare nurses to prescribe, and the formulary of medication committee, were accepted by your Committee.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3435, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 123-90 Health on H.B. No. 2901

The purpose of this bill is to amend Chapter 321, Hawaii Revised Statutes, to clarify that blood collection by venipuncture or capillary puncture, and other specimen collections necessary in outbreak investigations of certain diseases, are among the allowable activities of an epidemiological specialist in the Department of Health.

This bill also amends Section 321-31, Hawaii Revised Statutes, to broaden the scope of the Department of Health's preventive medicine responsibility to include the field of communicable disease control.

Your Committee received testimony in support of the bill from the Department of Health. The Department indicated that epidemiological specialists have traditionally collected blood and certain other specimens when conducting disease investigations for the Department. These activities are conducted under the supervision of a licensed Department physician who has trained the epidemiological specialist in proper specimen collection techniques.

The Department also testified that the proposed amendment to Section 321-31 is necessary to broaden its preventive medicine responsibility to include all communicable diseases targeted for public health intervention.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2901 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 124-90 Health on H.B. No. 2060

The purpose of this bill is to amend Chapter 551D of the Hawaii Revised Statutes, the living will law, to suggest the form for a living will declaration, and to allow withholdings of artificially supplied nourishment, fluids, or oxygen. The bill also creates a form for power of attorney for health care matters.

Your Committee finds that self-determination is the most basic of freedoms. The right to die at the time and place of our own choosing when we are terminally ill is an integral part of our right to control our own destinies. The right should include the ability to make a conscious and informed choice to enlist the help of the medical profession in making death as painless and dignified as possible.

Your Committee further finds that the present law does not currently recognize a durable power of attorney for health care related matters. This bill provides that a person may designate by power of attorney an attorney-in-fact or agent who has the power to make decisions regarding the person's real property and health care decisions. This bill also clarifies the existing statutes regarding the living will, which are ambiguous in defining the person's right to withhold or withdraw life-sustaining procedures, including artificially supplied nourishment, fluids, and oxygen under specific guidelines.

Representatives from the Department of Health, Hawaii Medical Association, Memorial Society of Hawaii, Hemlock Society, American Association of Retired Persons and numerous individuals submitted testimony in support of this bill. Testimony was received with hundreds of signatures from residents of Arcadia Retirement Home in support of the bill. Testimony in opposition to this bill was received from the Diocese of Honolulu, Chancery Office.

Your Committee has adopted the recommendations of the Hawaii Medical Association, which has been involved with a working group developing language for this legislation. Your Committee made the following amendments to this bill:

- (1) Clarified a person's condition whereby a living will might be implemented;
- (2) Expanded language referring to a terminal condition to include irreversible comatose state or a persistent vegetative state;
- (3) Added oxygen to the list of artificially supplied nourishment and fluids throughout the bill;
- (4) Clarified and expanded definitions in Section 327D-2, HRS;
- (5) Included the options regarding the withholding of artificially supplied nourishment, fluids, or oxygen in Section 327D-4, HRS; and
- (6) Deleted Section 11 to avoid excessively complicating language.

Your Committee finds that the living will and power of attorney are vital issues affecting each person's life in the State. Having the ability to choose death with dignity and respect is the right of each person.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 125-90 Tourism and Transportation and Intergovernment Relations and International Affairs on H.B. No. 3096

The purpose of this bill is to develop means for deciding the jurisdiction over disputed public roads by setting up a state-county task force, and for financing improvements to disputed public roads and publicly-used private roads by allocating revenue from the transient accommodations tax.

By establishing the task force, the bill seeks to resolve the ownership of many hundreds of miles of public roads, over which neither the state nor the counties acknowledge jurisdiction, and for which neither will pay for major improvements. One of the first projects of the task force will be to compile an inventory of all public and publicly-used private roads.

The task force also will determine jurisdiction over disputed roads and assign jurisdiction over publicly-used private roads. The latter roads deteriorate for lack of general improvements, and the counties do not undertake improvements for roads they do not own and do not accept ownership of roads not up to county standard. These roads are caught in a Catch-22 situation, which requires special measures to resolve. The task force will also recommend legislation and other solutions to this dilemma.

The bill also provides for transient accommodations tax revenues to be deposited in a special fund, with an unspecified portion of the net revenues to be retained by the state and unspecified percentages distributed among the counties, for road repair and maintenance of disputed public roads and publicly-used private roads.

The bill appropriates \$250,000 to fund the task force.

Your Committees received testimony in qualified support from the city and county of Honolulu, county of Maui, Outrigger hotels, the Hawaii hotel association and the Maui hotel association. The state department of transportation, the department of taxation, and the county of Hawaii testified in opposition to the bill, objecting to portions that your Committees subsequently removed. No one opposed the concept of the task force.

Your Committees amended section 1 of the bill, making minor, non-substantive changes, deleting references to funding through the transient accommodations tax, and deleting references to assigning jurisdiction over publicly-used private roads to the counties.

Your Committees also added that the task force's proposed legislation should include tax measures, such as earmarking transient accommodations tax revenues, to fund repair and improvement of disputed roads and publicly-used private roads. Your Committees changed the task force's second purpose to "Agree on ownership of as many disputed roads as possible and devise a mechanism to determine ownership of the rest."

In section 2 of the bill, your Committees removed references to primary and secondary goals, combining them into a single set of goals and leaving the setting of priorities to the discretion of the task force, and deleted reference to submitting legislation to the county councils. Your Committees also amended sub-section (4) to have the task force devise a mechanism to determine which public entity, not necessarily the counties, shall be responsible for subject roads, and added a sub-section directing the task force to submit proposed legislation to the 1991 regular session, if possible. At the end of section 2, your Committees also added a paragraph directing the task force to submit an interim report to the 1991 session and its findings and recommended legislation before the 1992 session.

Your Committees deleted sections 3 through 6 which provided for transfer of the transient accommodations tax revenues to the counties for road improvements, added a new section 3 to provide for roads on Hawaiian home lands property, and deleted section 9. Your Committees also made technical, non-substantive changes throughout the bill.

Your Committees on Tourism and Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3096, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3096, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 126-90 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 2384

The purpose of this bill is to enhance Hawaii's role in the international tourism community and promote international understanding and goodwill by encouraging the organizers of the 1991 "Second Global Conference, Tourism - A Vital Force for Peace," to select Hawaii as its site.

Hawaii's tourism industry, upon which the state economy depends, would greatly benefit from such a conference, which would explore the social, cultural and environmental, as well as economic aspects of tourism development, and which would attract outstanding speakers and international publicity, enhancing Hawaii's reputation. Conversely, the conference delegates would also greatly benefit from Hawaii's experience in tourism planning and multi-cultural interactions.

The bill appropriates \$25,000 to the Department of Business and Economic Development to provide planning assistance to the conference.

Your Committees heard testimony in support from the Department of Business and Economic Development, the Hawaii Convention Park Council, and the University of Hawaii School of Travel Industry Management.

Your Committees find that Hawaii would greatly benefit from such a conference. In addition, the conference would be a step toward diversification by helping to establish Hawaii as a site for international meetings, and a source of tourism expertise and consultation services, rather than just visitor accommodations.

Your Committees amended the bill to reflect the revised plans for a conference in 1992, rather than 1991. Your Committees have added a new section 2, which requires that the Department of Business and Economic Development report to the 1991 Legislature on the timetable for the conference, the level of commitment and funding available from the private sector, the amount of state support required, a marketing strategy, and the appropriate administrative mechanism to implement the conference.

Your Committees have also changed the funding to \$50,000.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2384, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2384, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 127-90 Tourism and Labor and Public Employment on H.B. No. 3098

The purpose of this bill is to create a two-year pilot program to develop visitor industry practicum courses at Waipahu and Farrington High Schools.

The funds appropriated will be expended by the Department of Labor and Industrial Relations; provided that the Tourism Training Council will be responsible for planning and administering the pilot program in conjunction with other

state agencies. The Tourism Training Council will submit interim reports on the status of the program to the legislature at least 20 days prior to the convening of the regular sessions of 1991 and 1992 and present a final report to the Legislature with its findings and recommendations at least 20 days prior to the convening of the regular session of 1993.

Your Committee finds that the program initiated by this bill would build on an existing program at Waipahu High School. It would also take advantage of Farrington High School's transition center and exemplary Japanese language program.

This bill has been amended by appropriating \$33,000 for this program. Other technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committees on Tourism and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 3098, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3098, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 128-90 Tourism on H.B. No. 2296

The purpose of this bill is to better equip the state of Hawaii to handle population growth by funding two-year carrying capacity studies in the counties to assess the capabilities of these regions to absorb the projected de facto population.

These studies will use a general methodology that was developed and tested by the office of state planning in response to Act 357, Session Laws of Hawaii. The resulting pilot study showed that the Ewa-Central Oahu area would require extensive infrastructural improvements to handle projected population increases.

Your Committee heard favorable testimony from the Office of State Planning, Department of Business and Economic Development and the Hawaii Hotel Association. Your Committee concluded that the studies commissioned by this bill would greatly benefit the state.

Your Committee amended section 1 of the bill to add that studies may include the social carrying capacity of such elements as housing, community services, employment, outdoor recreation, and visitor population. Your Committee also amended section 2 to give examples of suggested factors to include in the study.

Your Committee on Tourism is in accord with the intent and purpose of H.B. No. 2296, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2296, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 129-90 Planning, Energy and Environmental Protection on H.B. No. 3301

The purpose of this bill is to appropriate funds to update the Hawaii environmental impact statement bibliographic database and convert the information to a form accessible by personal computer.

Your Committee received testimony in strong support of this measure from the Office of Environmental Quality Control, the Environmental Center, the American Lung Association, and the Recycling Association of Hawaii.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3301 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 130-90 Planning, Energy and Environmental Protection on H.B. No. 3299

The purpose of this bill, as received by your Committee, is:

- (1) To require the installation of solar energy systems or heat pumps for residential water heating in all new single-family homes and multi-unit residential buildings; and
- (2) To provide for a 50 percent tax credit for the installation of solar water heating systems and heat pumps in new and existing buildings.

The Gas Company suggested that this bill include gas water heaters as energy conservation devices because of their efficiency and affordability. Accordingly, your Committee has amended this measure to require gas water heaters, as well as solar water heating systems or heat pumps, to be installed in new residential buildings and hotels.

The measure has also been amended to provide the following energy conservation tax credits:

- (1) Retains a 10 percent tax credit for any ice storage system;
- (2) Provides a 25 percent tax credit for any heat pump, gas water heater, or other system reducing the use of fossil fuel through cogeneration; and

- (3) Provides a 50 percent tax credit for any solar or wind energy system or other energy-conserving system operating without fossil fuel.

Based on the recommendations of the League of Women Voters, your Committee has also amended this bill to include hotels, along with residential buildings, because they represent a large percentage of energy consumption in Hawaii.

In addition, based on the recommendations of the Plumbing and Mechanical Contractors Association of Hawaii, the effective date of this bill has been changed to June 30, 1991 to allow the manufacturers, suppliers, contractors, and developers adequate time to comply with this new requirement.

This effective date has also been tied to the issuance date of the building permit. And the requirement that the solar system or heat pump be designed to provide not less than 90 percent of the hot water needs of the occupants has been deleted.

Other technical, nonsubstantive amendments have also been 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. 3299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3299, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 131-90 Planning, Energy and Environmental Protection on H.B. No. 3285

The purpose of this bill is to establish a state energy commission in order to reevaluate state energy policy. To accomplish this, the measure transfers the energy division of the Department of Business and Economic Development (DBED) to the state energy commission, and places the commission under the Department of Land and Natural Resources (DLNR) for administrative purposes. The governor shall appoint members from the counties by selecting from a list of candidates provided by the mayor of each county.

The Legislature finds that as a result of global environmental concerns, technological advances, and the Public Utilities Commission's directive that the utility companies proceed with an integrated resource planning process that includes all sources of energy generation and energy conservation processes, there must be a complete reexamination of the State's energy policy.

The legislature further finds that energy policy has been linked with economic expansion, which has resulted in undue emphasis being placed on sources of energy which do not take into consideration the total impact on Hawaii's fragile environment, or the affect on the well being of the public. For this reason, your Committee finds that establishing a commission comprised of county residents, coupled with the expertise of the energy division, will result in the formation of a policy which directly reflects the needs and desires of the communities and the most advanced methodology for harnessing environmentally sound energy. Furthermore, as Hawaii's natural environment becomes a more dominant component of energy generation, with greater utilization of wind, sun, ocean thermal variances, biomass, and conservation technology, your Committee finds that the DLNR will be the most appropriate agency to administer energy policy.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3285 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 132-90 Planning, Energy and Environmental Protection on H.B. No. 3364

The purpose of this bill is to foster the development of biomethanol as an alternative to fossil fuel. In order to accelerate the development of biomethanol technology, the Legislature finds that it is necessary to issue general obligation bonds that will augment existing funds that have been earmarked for biomethanol research. The financial assistance will be directed toward the design and construction of a precommercial biomass gasification and gas-cleanup research plant in Hawaii.

Your Committee finds that as a result of the ignition of fossil fuels, the global environment is in jeopardy. Greater utilization of cleaner burning biomethanol will assist in alleviating the danger of the build-up of carbon dioxide in the planet's atmosphere. Your Committee further finds that Hawaii has outstanding growing conditions to accommodate biomass, which could create substantial economic opportunity as greater worldwide attention is placed upon biomethanol as an alternative ground transportation fuel. Also, your Committee recognizes that this measure will assist the state in achieving energy self-sufficiency.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3364 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 133-90 Planning, Energy and Environmental Protection on H.B. No. 3403

The purpose of this bill is to institute a tree planting program on all suitable state controlled lands.

Your Committee is greatly concerned about the worldwide warming trend and the impact of this global climatic change on society as well as the environment. Trees have a major role in abating and even reversing the buildup of carbon dioxide in the air. Instituting this tree planting program would demonstrate our commitment to protecting and maintaining Hawaii's unique environment.

Based on the recommendations of the Department of Land and Natural Resources and several concerned citizens, your Committee has amended this bill to appropriate \$250,000 to:

- (1) Institute a tree replanting program by expanding nursery facilities on Oahu, Hawaii, Maui, and Kauai;
- (2) Educate the public about the importance of this program and the care and maintenance of various tree species; and
- (3) Increase temporary staffing to carry out this program.

Other technical, nonsubstantive amendments have also been 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. 3403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3403, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134-90 Planning, Energy and Environmental Protection on H.B. No. 2118

The purpose of this bill is to conform the penalty provisions of Chapter 205, Hawaii Revised Statutes, which relate to lands classified in the state agricultural and rural districts, to be consistent with the provisions of Section 46-4, Hawaii Revised Statutes.

Your Committee finds that Section 205-13 has been interpreted to mean that a violator can continue operating for six months after being cited. This measure would correct this inequity by making the violation and penalty provisions of Chapter 205 consistent with Section 46-4. This permits the counties to establish civil fines and penalties for zoning violations and appropriate procedures for enforcement.

This measure also conforms with the provisions of Chapter 205A so that the penalty for violations shall not exceed \$10,000 in addition to a fine of \$1,000 per day for each day the violation persists.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2118 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 135-90 Planning, Energy and Environmental Protection on H.B. No. 3011

The purpose of this bill is to appropriate funds to continue research on biomass production for energy to reduce Hawaii's dependency on petroleum products. Funds would be available only if in-kind services such as cost sharing are provided by C. Brewer and Company, Ltd., the University of Hawaii, the United State Department of Agriculture, and the Hawaiian Sugar Planters' Association.

Your Committee received testimony supporting the intent of this measure from the Governor's Agriculture Coordinating Committee, the College of Tropical Agriculture and Human Resources of the University of Hawaii, the Hawaii Natural Energy Institute, BioEnergy Development Corporation (a subsidiary of C. Brewer and Co., Ltd.), and the Hawaiian Sugar Planters' Association.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3011 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 136-90 Planning, Energy and Environmental Protection on H.B. No. 2129

The purpose of this bill is to appropriate funds for personnel, laboratory, and field trial costs to facilitate the registration of pesticides for Hawaii's agricultural crops.

Your Committee received testimony supporting the intent of this measure from the Governor's Agriculture Coordinating Committee, the Department of Agriculture, the Hawaii Farm Bureau Federation, the College of Tropical Agriculture and Human Resources of the University of Hawaii, and the Hawaiian Sugar Planters' Association.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2129 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 137-90 Planning, Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 2215

The purpose of this bill is to appropriate funds to support the Hawaii Natural Energy Institute (HNEI) in its efforts to conduct present and proposed research in the field of alternative energy testing and development.

This measure will insure that HNEI will be able to continue to work on the Kahua Wind Energy Storage Test and Wind/Hydrogen Program, which enables further development of hybrid energy systems, energy storage capacity, and wind-hydrogen research.

Your Committees find that Hawaii must become less dependent on imported fuel sources, and foster the development of any form or energy that does not contribute to the deterioration of the environment.

The School of Ocean and Earth Science and Technology of the University of Hawaii clarified that the correct account for the appropriation is the Discoveries and Inventions Revolving Fund. Accordingly, your Committees have amended this measure.

Your Committees on Planning, Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2215, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2215, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 138-90 Education on H.B. No. 2545

The purpose of this bill is to provide funds for the Library for the Blind and Physically Handicapped, to include funding for a Volunteer Coordinator position, the Radio Reading Service, and a Matsumoto Stereo Copier.

The State Librarian, the Commission on Persons with Disabilities, the Library of the Blind and Physically Handicapped Consumer Advisory Committee, and others testified in favor of this measure.

Your Committee finds that this appropriation will enable the Library of the Blind and Physically Handicapped to improve informational and educational services to the population it serves.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2545 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 139-90 Education on H.B. No. 2712

The purpose of this bill is to change the amount allocated for each student under the school priority fund from \$35.00 to \$75.00.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii State Teachers Association. The Department of Education also submitted a report along with its testimony to demonstrate how the school priority fund was used for the school year 1988-1989.

Your Committee finds that this measure will provide the additional funding needed by the schools to develop and implement their individual, short and long-range improvement plans such as the employment of part-time teachers or clerical personnel, the purchase of textbooks, equipment and supplies.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2712 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 140-90 Education on H.B. No. 2709

The purpose of this bill is to provide a \$5 million emergency fund to cover shortages in fixed expenditures such as salaries and utilities, to accommodate unanticipated increases in enrollment and other unforeseen contingencies, and to meet critical unbudgeted needs.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2709 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 141-90 Education on H.B. No. 2715

The purpose of this bill is to appropriate funds for the transportation costs that will be incurred on school field trips.

Your Committee finds that field trips enrich the learning environment of the student by increasing the relevancy of the concepts and skills learned in the classroom. As a result, every effort should be made to encourage and assist teachers and administrators to plan and execute projects for exciting and educational field trips.

Testimony in general support of the measure was submitted by the Department of Education and the Hawaii State Teachers Association.

The recommendation of the Department of Education concerning the \$300,000 appropriated amount for the transportation costs that will be incurred on school field trips has been incorporated into the measure.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2715, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 142-90 Education on H.B. No. 3087

The purpose of this bill is to establish an occupational skills learning center at the Hawaii School for the Deaf and Blind to provide special education students a uniform level of guidance, career development, counseling, and diagnostic activities.

The Commission on Persons with Disabilities testified in favor of this measure. During the past year, a federally-funded pilot project has been operating in the Honolulu District for students representing a whole range of disabilities. However, these federal funds will be exhausted at the end of this year and the occupational skills program will have to close unless State funds are appropriated.

The Department of Education requested that this bill be deferred until more definitive long and short-term plans have been developed for the Statewide Center for Students with Hearing and Visual Impairments which encompasses the former Hawaii School for the Deaf and Blind.

Your Committee finds that special education students can benefit from this worthy program for another year while the Department of Education continues its long and short-term planning efforts. We have amended this bill to remove references to the Hawaii School for the Deaf and Blind and amended the purpose clause to reflect our intent that the pilot program continue, and be designated the Honolulu District Occupational Skills Learning Center.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3087, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 143-90 Education on H.B. No. 2868

The purpose of this bill is to amend Section 40-1, Hawaii Revised Statutes, to allow the comptroller to issue warrants to the Department of Education to establish a checking account and to provide working capital.

The Department of Education (Department) testified in favor of this bill. The Department does not have any funds for working capital with which to pay its vendors. This measure will allow the comptroller to issue warrants to the Department to use as working capital while waiting for the reimbursement of actual expenditures from the appropriation account.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2868 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 144-90 Education on H.B. No. 3335

The purpose of this bill is to add a new section to Chapter 235, Hawaii Revised Statutes, to permit individuals to designate \$2.00 (\$4.00 on joint returns) of their income tax refund to the school priority fund.

The Department of Education testified in favor of this bill. The Hawaii State Teachers Association testified in favor of the intent of this measure, but expressed a preference for having the per-pupil allocation to the fund increased so that individual schools would be able to predict the amount of resources available to meet student needs. The Department of Taxation and the Tax Foundation of Hawaii testified against this bill.

Your Committee finds that funding for public education is the top priority of the State of Hawaii. We believe that our most important goal in achieving excellence in education is the restructuring of our public school system to allow individual schools more autonomy and flexibility in meeting the needs of their communities. Since decisions on the use of

school priority funds are determined at the school level, we find that significant measures should be taken immediately to increase the amount of money available to this important program.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3335 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 145-90 Education and Planning, Energy and Environmental Protection on H.B. No. 2734

The purpose of this bill is to establish an institutional support system for environmental education through the creation of an environmental education resource teacher position.

The Department of Education, the Mayor of Kauai County, Bishop Museum, Hawaii Nature Center, Kokee Natural History Museum, and the Conservation Council for Hawaii testified in favor of this measure.

Your Committee finds that a environmental education resource teacher on Kauai will assist teachers to conduct quality outdoor education programs, using curriculum materials being developed with a three-year federal grant. Also, the resource teacher position is essential to carry out the long-term planning and implementation of a cooperative project with the Department of Land and Natural Resources to establish an outdoor education center in Kokee State Park.

Your Committees on Education and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 2734 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hiraki.

SCRep. 146-90 Tourism and Intergovernmental Relations and International Affairs on H.B. No. 3114

The purpose of this bill is to beautify Waikiki and maintain its appeal to visitors by appropriating \$2,000,000 for improvements to Kapiolani Park, Kuhio Beach Park, the Waikiki mini-parks, Ala Wai Boulevard, Ala Wai Canal, Ala Wai Promenade and Ala Moana Park.

Your Committees heard testimony in support from the State Department of Transportation, the City and County of Honolulu Department of Parks and Recreation and City Council member Neil Abercrombie, and representatives of the visitor industry.

Your Committees find that the bill would provide for much-needed improvements that would greatly benefit the entire State by maintaining Hawaii's international competitiveness in an essential sector of the State economy.

In section 2, your Committees added the requirement that the State pay for no more than 80 percent of the total costs of the project.

Your Committees on Tourism and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3114, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 147-90 Transportation and Education on H.B. No. 2008

The purpose of this bill is to authorize the Department of Transportation to grant exemptions to the restrictions on the transportation of pupils by vehicles other than school vehicles. This bill allows exemptions to be decided on a case by case basis for the transport of students to and from school-related functions or activities provided a written statement is received from the parent or legal guardian waiving the school's liability.

Your Committees find that certain situations currently exist that financially and physically hamper the transportation of students within the State. Your Committees further find that occasions occur in which a school bus may not be the most appropriate means of transporting students to and from school functions or school-related activities. Your Committees further find that while school buses are equipped with certain features which enhance their safety, an adequate supply of school buses may not be available at certain times of the day to meet the student transportation needs for school-related functions or school-related activities.

Your Committees received testimony on this bill from the Department of Transportation, Department of Accounting and General Services, the Department of Education, Hawaii Transportation Association (HTA), Hawaii State Teachers Association (HSTA), Hawaii Congress of Parents (HCPTSA), Pahoa High and Elementary School, Hilo High School Interact Club, Pearl City High School, the Oahu Band Directors Association (OBDA), Mililani Paratransit Services, Save Money And Ride Together (SMART) and Ms. Sandra Akina of Akina Bus Service, Ltd.

Your Committees find that the Department of Education and Department of Transportation should work jointly to address this dilemma.

Your Committees have amended this bill by:

- 1) Authorizing the Department of Education to administer the granting of exemptions based on the criteria developed by the Department of Education and the Department of Transportation.
- 2) Changing the effective date of this act to be effective upon approval.
- 3) Removing the sunset provision of this bill.

Your Committees on Transportation and Education are in accord with the intent and purpose of H.B. No. 2008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2008, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees.

SCRep. 148-90 Health on H.B. No. 3019

The purpose of this act is to provide funds which would develop a comprehensive health care program utilizing hospitals, community service groups, foster care, out-patient health care, and other services.

Representatives from the Department of Human Services, University of Hawaii, School of Nursing, Kapiolani Medical Center for Women and Children, Department of Health, Office of Children and Youth, Salvation Army Pohai Pono Program, Hawaii Right to Life, The American Organization of Nurse Executives-Hawaii Chapter, and various private citizens who are nurses submitted testimony in support of this bill.

Testimony indicated that over the past calendar year, at least 110 drug exposed infants have been identified by the child protective service multi-disciplinary team based at Kapiolani Medical Center for Women and Children. Nationally, there has been a three to four-fold increase in substance abuse during pregnancy since 1985. It is estimated that 10 to 15% of women coming for prenatal care or delivery have used drugs during pregnancy. The importance of early identification through a systematic procedure for prenatal drug abuse would facilitate treatment and intervention preventing the birth of drug addicted infants.

Your Committee found that the resources available in our communities to both prevent chemical dependency and provide treatment services for addicted pregnant women are grossly inadequate. Your Committee further found that the multi-faceted program proposed by the maternal-child faculty of the School of Nursing addresses prenatal detection, assessment and intervention of mothers and babies in both inpatient and community agencies.

Your Committee has adopted the recommendations of the Department of Health and Department of Human Services in deleting all sections of the bill that have already been included in the Governor's supplemental budget. SECTION 2 relating to the model program referred to as DISC (Drug Identification, Screening and Coordination) will remain in the bill. Your Committee agrees that the Department of Health shall expend these funds as opposed to the School of Nursing, University of Hawaii.

Questions were raised concerning the universal screening of all infants in the program described in SECTION 2. The legal issues concerning screening of all infants with or without parents permission was raised. Your Committee clarified the language by removing the word "all" in SECTION 2. line 3.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3019, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 149-90 Health on H.B. No. 2044 (Majority)

The purpose of this bill is to adopt a pilot program involving sterile needle and syringe exchange with intravenous drug users (IVDUs). The intent of this program is to prevent the transmission of the human immunodeficiency virus (HIV) and other blood borne diseases among IVDUs by allowing the exchange of sterile needles and syringes for used equipment, and to recruit IV drug users into treatment and rehabilitation.

Your Committee heard testimony in support of the bill from the Department of Health, the Governor's Committee on AIDS, the Hawaii Medical Association, the Hawaii Nurses' Association, the Sterile Needle Exchange Coalition, and many other concerned individuals and organizations. Testimony was also heard in opposition to the bill from the Prosecuting Attorney of the City and County of Honolulu, the United States Attorney for the District of Hawaii, and the Police Department of the City and County of Honolulu.

Opposition to the bill centered around the philosophical objection to any program which does not deal with substance abusers in a criminal fashion, and from theoretical fears that substance abuse might increase. No evidence was provided the Committee which indicated that any currently operating needle exchange program has increased substance abuse, although U.S. Attorney Daniel Bent criticized law enforcement actions in Switzerland which unevenly enforced local drug laws.

Support for the bill centered around evidence that existing programs do not increase substance abuse, do remove unsightly and dangerous dirty needles from the streets, and appear to be useful in recruiting drug abusers into treatment and rehabilitation. Testimony from former drug abusers and public health case workers who deal with the population on a daily basis substantiated these claims.

Your Committee notes that such a pilot program, if initiated, would be completely under the guidance of the Director of Health, and that law enforcement agencies have indicated that they would continue to enforce the drug paraphernalia law in a strong and consistent manner. Your Committee also believes that the "mixed message" argument would have little or no effect upon those who are addicted to powerful drugs, or those who have little contact with such populations. Few citizens would even be aware of a small and controlled program. As to the balance between criminal prosecution and treatment, our State already funds many programs targeted directly towards people who are illegally using drugs. It has been the practice of our State for some time that treatment and rehabilitation are appropriate responses to the addict.

Finally, your Committee is persuaded that from the point of view of public health, the HIV epidemic requires creative and effective responses that may not always lend themselves to neatly reasoned philosophy and theory. A recent, random survey of teenagers in mainland hospital emergency rooms found as many as ten percent (10%) infected with HIV. Extraordinary measures are required to ensure this does not happen in Hawaii. The recent increase in so-called "drug babies", coupled by the known risks of HIV transmission by dirty needles creates a compelling argument for the pilot program suggested by this bill.

To assure that this program is watched closely and that it meet the purposes for which it was intended, additional responsibility is placed on the Director of Health, authorizing him to terminate the program if and when data indicates that it is not working.

Specifically, your Committee made the following amendments to this bill:

- (1) To reflect the intent of the pilot program, the language of Section 2 has been altered to indicate that one of the purposes of the program is also to promote treatment and rehabilitation of IVDUs;
- (2) To address the concern that sites in which exchanges are carried out might become congregation points for substance abusers and lead to the degeneration of those areas, language has been added to Section 2 calling for the confinement of distribution to specific areas and discouraging situations which may congregate substance abusers;
- (3) To address the need for a report to the Legislature prior to the repeal of the program in 1993, Section 3 was amended to include a report in January of 1993; and
- (4) To ensure that the program will not continue if found to be ineffective or detrimental, ie. promoting drug abuse, language has been added to Section 3 to give the Director of Health the authority to terminate the program if the above conditions become apparent.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2044, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.
(Representatives M. Ige, Cavasso and Liu did not concur.)

SCRep. 150-90 Health and Judiciary on H.B. No. 2673

The purpose of this Act is to establish an expert enforcement team with the necessary legal and scientific background to aggressively pursue the enforcement of the law, and to provide the resources necessary to enable the department to perform more investigations.

Your Committees heard testimony from the Department of Health in support of this measure. They were in support of improvements to their enforcement capabilities by providing additional legal staffing and investigative resources.

Your Committees have amended Section 2. of the bill to more clearly define the scope and extent of the special enforcement team. Your Committees have adopted the recommendations of the Department of Health by making the following amendments: In Section 2. (3) the word insecticides will encompass the text pesticides, fungicides, herbicides. Section 2 (4) was corrected to be consistent with the language in HB 2250 to appropriate \$200,000 for the purchase of five gas chromatographs.

Your Committees on Health and Judiciary are in accord with the intent and purpose of H.B. No. 2673, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2673, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Peters.

SCRep. 151-90 Intergovernmental Relations and International Affairs and Transportation on H.B. No. 2588

The purpose of this bill is to require motor vehicle license plates to be placed at the location provided by the motor vehicle manufacturer or in the absence of such a location upon the bumpers of the vehicle and in conformance with tail light provisions.

Current law allows owners to place license plates within the entire front or rear area of the vehicle, provided the plates do not swing and are at least twelve inches from the ground.

However, law enforcement officials face difficulties in identifying vehicles when they have to search for the license plates, especially on a speeding vehicle. Your Committees find that a standard location for placement of license plates will further law enforcement purposes.

Your Committees received testimony in support of this measure from the Kauai Police Department.

Your Committees on Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of H.B. No. 2588, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 152-90 Intergovernmental Relations and International Affairs and Transportation on H.B. No. 2367

The purpose of this bill is to increase penalties for failure to properly register new ownership of motor vehicles.

Testimony in support of this measure was submitted by the Hawaii Automobile Dealers' Association and the City and County of Honolulu.

According to the City and County of Honolulu, approximately ten per cent of simple transfers of ownership were recorded after the mandatory twenty days. It appears that the current \$5 penalty does not deter individuals from the late recording of a transfer of ownership.

Your Committees concur that the penalty should be increased. However, testimony received by your Committees indicate that a penalty of \$50 may be too stringent and may discourage new owners from recording the transfer of the ownership of a vehicle in order to escape such a penalty. Upon further consideration, your Committees have amended the bill to change the penalty to \$20.

Your Committees on Intergovernmental Relations and International Affairs and Transportation are in accord with the intent and purpose of H.B. No. 2367, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2367, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 153-90 Intergovernmental Relations and International Affairs on H.B. No. 3023

The purpose of this bill is to eliminate the existing requirement that the counties match any funds put forth by the State for any redevelopment project within the county, or for assistance to any local redevelopment agency.

Presently, in order to receive State assistance for any redevelopment project, the counties must match State funding. However, your Committee finds that infrastructure needs, rapid population growth, and the growth of the visitor industry have placed inordinate demands on the financial resources of the counties. This makes it difficult for the counties to meet the existing matching fund requirement. As a result, revitalization efforts for redevelopment areas are hampered, even though these areas have been specifically designated as worthy of special attention.

Your Committee further finds that this measure will allow more to be accomplished in improving worthy areas, while allowing the counties to finance other pressing needs.

Your Committee received testimony in support of this measure from the Hawaii Redevelopment Agency.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3023, as amended herein, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 154-90 Intergovernmental Relations and International Affairs on H.B. No. 3448

The purpose of this bill is to appropriate funds to assist the City and County of Honolulu in financing the repairs for homes in the Aina Haina Hillside area, and to assist the City and County in dealing with the land movement problem in the Ailuna-Leighton area in Aina Haina.

Your Committee concurs with the intent of this bill, but finds that the current language may be construed to imply that public funds would be expended for private purposes, which is contrary to existing policy. Your Committee has therefore amended the bill to describe the work to be funded to include the construction of improvements in the Aina Haina Hillside area.

Your Committee has also incorporated design and land acquisition cost elements in the bill, since design costs are a necessary part of a capital improvement program and land acquisition may be a feasible and necessary alternative in the long term solution to the problem.

Your Committee further finds that leaks in the City's utilities are not necessarily the cause of the earth movement problem. In fact, the City's underground utilities are also victims of soil movement, often to a greater extent than the surface improvements, because of their placement within the distressed area. Accordingly, your Committee has amended the bill to delete indications that subsurface water leaks from various utilities are the direct causes of the experienced soil movement.

Finally, your Committee has adopted the recommendations of the Department of Public Works to exempt the counties from liability for damage, loss, or claim as to real or personal property, or personal injury or death, or any other loss, as the result of planning, construction, maintenance, repair or any other act made pursuant to this measure.

Your Committee has also amended the bill to reflect that the funds appropriated shall be for the 1990-1991 fiscal year.

Your Committee received testimony in support of this measure from the Department of Public Works, City and County of Honolulu.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3448, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 155-90 Intergovernmental Relations and International Affairs on H.B. No. 2159

The purpose of this bill is to improve the lives of the elderly on Kauai by funding programs conducted by the Office of Elderly Affairs of the County of Kauai.

Specifically, the funds would support in-home services, senior centers, home-delivered meals, and transportation for the elderly of Kauai.

Numerous testimony in support of this measure was received by your Committee. The Kauai County Council testified that the funds were needed to provide an effective senior program on Kauai because of the County's limited resources at a time of increased need and costs for elderly service.

Your Committee finds that many elderly persons live on limited incomes and cannot afford or do not desire institutional care. The in-home services and home-delivered meals provide the elderly with needed care and nutrition that they are financially or physically unable to provide for themselves. Further, in-home services provide necessary respite for overburdened primary care givers who are committed to taking care of their loved ones at home.

Your Committee further finds that transportation services provided to qualified elderly recipients enhance the quality of life of the elderly by providing necessary transportation to their medical appointments and other necessary errands. The senior centers programs also allow the elderly to maintain an independent, active lifestyle through companionship and recreation.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2159 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 156-90 Intergovernmental Relations and International Affairs on H.B. No. 2302

The purpose of this bill is to allocate five per cent of the gross state general fund tax revenues, less adjustments, as grants-in-aid to the counties, with each county receiving a percentage of the allocation.

Your Committee finds that the counties are in need of an adequate, stable, long-term source of funding to meet their financial needs. Presently, the counties must come before the Legislature each year to request financial assistance. This process inhibits the counties from fulfilling the ever-increasing needs for services and infrastructure generated by their citizens. Also, not knowing what funding they will be receiving from year to year, the counties are unable to do any long-range planning.

The funding mechanism proposed in this bill is predictable, flexible, and permanent, and would generate sufficient revenues to meet the needs of the counties. Your Committee finds that this measure provides a desirable, equitable, and feasible means of providing funding to the counties.

Testimony was received in support of this measure from the county council of Kauai, the mayor of Kauai, and the county of Hawaii.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2302 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 157-90 Intergovernmental Relations and International Affairs on H.B. No. 3052

The purpose of this bill is to appropriate funds for the Prince Kuhio, Captain Cook, and Na Holo Kai Festivals on Kauai.

Testimony in support of this measure was submitted by the Department of Business and Economic Development, the County of Kauai, Prince Kuhio Festival Committee, the Kauai Chapter of the Hawaii Visitors Bureau, Na Holo Kai, the Captain Cook Celebration Committee, and private citizens.

Your Committee finds that all three of these events promote the unique Hawaiian culture and heritage of the State. At the same time, these events have great potential for promoting the visitor industry on Kauai. With funding for the expansion and marketing of these events, these events could contribute greatly to the economic revitalization of Kauai.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 3052 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 158-90 Housing on H.B. No. 2705 (Majority)

The purpose of this bill is to prohibit the establishment of condominium property on leasehold land after January 1, 1991.

Your Committee heard strong testimony in support of the bill from the Hawaii Independent Condominium and Cooperative Owners and the Hawaii Leaseholders Equity Coalition.

Your Committee also heard testimony in support of the bill from the Hawaii Council of Associations of Apartment Owners which stressed that some inequities of the leasehold system, such as the surrender clause and the lack of any ceiling on condominium lease rent renegotiations, must be eliminated.

Your Committee received testimony against the bill from Kaneohe Ranch, the Hawaii Association of Realtors, and several private citizens indicating that the elimination of leasehold might reduce the housing supply and vastly increase housing prices.

Bishop Estate, also testifying against the bill, cautioned against its infringement on the mandate of the Kakaako Redevelopment Agency to create mixed-use projects.

Additionally, your Committee received testimony from the Housing Finance Development Corporation (HFDC) which suggested that the bill be amended to permit new leasehold purchasers to be given the option of purchasing the land under their unit, with the option price fixed for the first ten years and the purchase price for the remaining term settled by arbitration. The option to buy could be exercised at any time during the lease. This is the system used by the HFDC.

After considering the foregoing testimony, your Committee has amended the bill as follows:

- (1) Included residential cooperatives within the scope of the bill;
- (2) Excluded commercial property and mandated mixed-use projects from the scope of the bill;
- (3) Deleted reference to the elimination of leasehold and provided instead that newly established residential leasehold housing must, after 1991, include an option to buy the land for the duration of the lease;
- (4) Provided that the option price must be fixed for the first ten years and thereafter should be adjusted to the fair market value; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2705, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

(Representatives Amaral, Arakaki, Duldulao, M. Ige, Kawakami and Peters did not concur.)

SCRep. 159-90 Housing on H.B. No. 2278

The purpose of this bill is to make an appropriation for the development of housing units for the homeless.

Your Committee received overwhelming testimony in support of the intent of this bill from the Department of Health, the Housing Finance and Development Corporation, the Hawaii Housing Authority, the Office of Hawaiian Affairs, the Institute of Human Services, the Office of Children and Youth, Homeless Aloha, Inc., Child and Family Service, the Hawaii Ecumenical Housing Corporation, the Salvation Army, and other interested organizations and individuals.

The testimony indicated the need for an emergency shelter which could accommodate homeless men and their children, as well as homeless women and their children.

The Hawaii Housing Authority indicated the need for increases in appropriations for the proposed facilities for abused women and their children, and the proposed facilities for mentally ill women and their children. The Housing Authority also proposed an additional appropriation for facilities for all categories of homeless persons.

Finally, the Housing Finance and Development Corporation recommended that the language of the bill be broadened to allow the Hawaii Housing Authority to use the moneys appropriated for either acquisition, renovation, and equipment, as well as for planning, design, land acquisition, and construction.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Provided for emergency facilities for single homeless parents and their children;
- (2) Increased the appropriation for facilities for abused women and their children to \$2,000,000;
- (3) Increased the appropriation for facilities for mentally ill women and their children to \$2,000,000;
- (4) Appropriated \$2,000,000 for facilities for homeless families; and
- (5) Provided that the appropriations may be used for acquisition, renovation, and equipment, as well as for planning, design, land acquisition, and construction.

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2278, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 160-90 Housing on H.B. No. 3281

The purpose of this bill is to appropriate funds to ensure continued availability of low interest loans to holders of Milolii state leases for self-help home construction.

Your Committee received testimony in support of the bill from a number of Milolii self-help lessees.

Your Committee also received testimony from the Housing Finance and Development Corporation commending the work done by the Milolii lessees in building their own homes. However, the Housing and Finance Development Corporation recommended that the bill should clarify that "appliances" includes only a stove and refrigerator.

Based on the foregoing testimony, your Committee has amended the bill by designating "stove and refrigerator" as the type of appliance which may be purchased with loan moneys. Your Committee has also amended the bill by eliminating "water desalination, energy alternatives, and village land improvements" from the list of permitted purchases, and adding "rain gutters" to that list.

Additionally, technical, nonsubstantive amendments have been made to the bill for the purposes of style and clarity.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 161-90 Housing on H.B. No. 2723 (Majority)

The purpose of this bill is to prohibit the Hawaii Community Development Authority from accepting cash payment in lieu of developing housing for low or moderate income buyers.

This bill also directs the Hawaii Community Development Authority to adopt rules requiring the development of low or moderate income housing as a condition of the authorization of any residential redevelopment project.

Your Committee received testimony opposing this bill from the Hawaii Community Development Authority and the Bishop Estate. This testimony indicated that the bill would restrict flexibility in planning. Additionally, this testimony pointed out that "in lieu payments" benefit the public.

Your Committee received testimony in support of the bill from the State House member from the 35th District who pointed out that whereas the Kakaako area was planned as a mixed development, it has become one for the affluent.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2723 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Ihara.
(Representatives Peters and Cavasso did not concur.)

SCRep. 162-90 Housing on H.B. No. 3104

The purpose of this bill is to determine the feasibility of establishing a State leasehold program under which housing developed on State-owned lands would be offered to homebuyers on a leasehold basis as a means of ensuring the provision of affordable housing over the long-term.

Your Committee heard testimony in support of this bill from the Housing Finance and Development Corporation (HFDC), the Department of Housing and Community Development of the City and County of Honolulu, and the Hawaii Association of Realtors.

The HFDC recommended, as administrators of Hawaii's Land Reform Program, that lessees under the proposed program should be given the opportunity to purchase the land beneath their homes in fee simple.

The Department of Housing and Community Development of the City and County of Honolulu pointed out that under Chapter 516, Hawaii Revised Statutes, homeowners of leasehold tracts are able to petition the HFDC to purchase their lots in fee.

Your Committee also received testimony from a private citizen urging the use of State leasehold land for self-help projects and units which are more affordable than those being constructed at Kapolei.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3104 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 163-90 Higher Education and the Arts and Intergovernmental Relations and International Affairs on H.B. No. 2232

The purpose of this bill, as received by your Committees, is to establish an international wine conference in Hawaii.

Your Committees received favorable testimony in support of the intent of the measure from the Department of Business and Economic Development and representatives from the wine industry in Hawaii.

Your Committees have amended the bill to provide that the Department of Business and Economic Development conduct a feasibility study of having an international wine conference in Hawaii in 1991. Your Committees have further amended this measure to appropriate \$25,000 to the Department of Business and Economic Development to conduct the study and prepare an organizational plan for the conference if the Department determines that such a conference would be feasible.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committees on Higher Education and the Arts and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2232, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2232, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 164-90 Ocean and Marine Resources and Planning, Energy and Environmental Protection on H.B. No. 3147

The purpose of this bill is to appropriate out of the general revenues the sum of \$250,000 to the Department of Health for an investigation of the State's oil spill response capabilities.

Representatives from the Department of Health, Oceanic Laboratories, Inc., Clean Islands Council and The Ocean Recreation Council of Hawaii (TORCH) submitted testimony in support of the bill.

Testimony indicated that an assessment of Hawaii's oil spill response capabilities would put into perspective the level of risk, the cost of a spill on Hawaii and its resources and the cost of being prepared to contain a spill of acceptable risk.

Your Committees have amended this bill to have the Department of Health reports its findings and recommendations to the Legislature prior to the convening of the 1991 Regular Session.

Your Committees on Ocean and Marine Resources and Planning, Energy and Environmental Protection are in accord with the intent and purpose of H.B. No. 3147, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3147, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 165-90 Ocean and Marine Resources and Legislative Management on H.B. No. 2264

The purpose of this bill is to appropriate funds for an audit of the Department of Land and Natural Resources' Division of Conservation and Resources Enforcement to evaluate the effectiveness of the enforcement program.

Your Committees heard testimony from the Department of Land and Natural Resources who does not support this measure as they have just retained a qualified consultant to review their Division of Conservation and Resources Enforcement (DOCARE) program in order that they can develop measures to improve the effectiveness of their enforcement activities. Having undertaken this arrangement, they prefer not to have an audit.

However, further testimony from the Ocean Recreation Council of Hawaii (TORCH), Malama Na I'a, Hawaii Fishing Coalition, Inc., Aiea Boat Club, and Haleiwa Trolling Club revealed strong support for this bill as it would provide valuable insights into the problems and potential solutions to our resource enforcement. The audit would also assist in gathering the data needed for an objective analysis.

Your Committees have amended this bill in Section 2 to appropriate \$100,000 out of the general revenues for the legislative auditor to conduct an audit of the Department of Land and Natural Resources' Division of Conservation and Resources Enforcement.

Your Committees on Ocean and Marine Resources and Legislative Management are in accord with the intent and purpose of H.B. No. 2264, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2264, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Souki.

SCRep. 166-90 Ocean and Marine Resources on H.B. No. 2233

The purpose of this bill is to include in a number of sections of the Hawaii Revised Statutes a revised definition of the State's territorial sea and marine waters which reflects the expanded U.S. territorial sea and the State's archipelagic waters.

Your Committee received testimony from the Office of State Planning and Malama Na I'a concerning this bill.

Testimony indicated that by extending the State's jurisdiction to twelve miles seaward, the State will be able to exercise its police power and management authority in the coastal zone.

Further testimony indicated that the State would have regulatory control over the waters used by recreational fishermen and conflicts between recreational and commercial fishermen will be the State's responsibility.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2233, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 167-90 Ocean and Marine Resources on H.B. No. 3044

The purpose of this bill is to amend Section 188-57 of the Hawaii Revised Statutes (HRS) to lengthen the closed season for the taking of Kona crab, and spiny and slipper lobsters, and allow with a license, the sale of the subject species during the extended closed season that were lawfully caught during the open season.

Your Committee heard testimony from the Department of Land and Natural Resources (DLNR), Malama Na I'a and private citizens concerning this bill.

Supporting testimony indicated that the lengthening of the closed season would enhance reproductive potential and provide greater protection for the spawning stock of these heavily fished valuable marine resources.

However, opposing testimony indicated that this bill will not solve the problem of dwindling lobster and Kona crab populations. In addition, since lobsters spawn all year long, there is no justification for closing an extra month and that doing so will severely handicap the lobster fisheries.

Your Committee, upon further consideration, has amended Section 188-57, Hawaii Revised Statutes, to have a four-month closure for Kona crabs only.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3044, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 168-90 Ocean and Marine Resources on H.B. No. 2405

The purpose of this bill is to appropriate funds to the Department of Land and Natural Resources (DLNR) for continued mahimahi research.

Your Committee received testimony in support of this bill from DLNR and the University of Hawaii and agrees that continued research is required to develop an improved feed pellet, improve hatchery dependability, conduct research on the physiology of mahimahi, and determine optimum stocking density for culture.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2405, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 169-90 Ocean and Marine Resources on H.B. No. 3140

The purpose of this bill is to appropriate funds to the Office of State Planning (OSP) for planning and development of the Hawaii Ocean Center Program as recommended by the Hawaii Ocean Center Planning Council.

Your Committee received testimony in support of this bill from OSP and the University of Hawaii Sea Grant Extension Service.

Your Committee agrees that the Hawaii Ocean Center would nurture the State's relationship with the ocean by promoting the awareness, understanding and appreciation of the ocean as part of Hawaii and the life of its people.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3140, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 170-90 Ocean and Marine Resources on H.B. No. 2407

The purpose of this bill is to amend Section 708-831, Hawaii Revised Statutes, to include the theft of "aquaculture product" among those crimes considered to be "Theft in the second degree."

The Department of Land and Natural Resources (DLNR) and the Police Department submitted testimony in support of this bill.

The stealing of both plants and animals from commercial farms and research institutions is a major problem confronting Hawaii's aquaculture industry. Farmers have suffered economic hardships and researchers have been frustrated in obtaining accurate results from their experiments. Present law makes no mention of aquaculture products.

Your Committee has adopted the recommendations of DLNR and the Police Department by making the following amendments:

- 1) The definition for Aquaculture Products be addressed in the Hawaii Revised Statutes (HRS), Section 708-800, Definitions of terms in this chapter.
- 2) The charge of theft be determined by the market value of the product stolen as determined by HRS, Section 708-801, Valuation of property rather than Theft in the second degree, as set forth in HRS, Section 708-831.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2407, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 171-90 Ocean and Marine Resources on H.B. No. 2401

The purpose of this bill is to appropriate out of the general revenues the sum of \$2,000,000, or so much thereof as may be necessary for fiscal year 1990-1991, for planning offshore sand recovery to widen eroded public beaches throughout the State, purchase or lease of pumping equipment and support craft, and to pump sand onto public beaches.

Your Committee heard testimony from the Department of Land and Natural Resources (DLNR), the Department of Transportation (DOT), the Department of Parks and Recreation, the University of Hawaii Environmental Center, the Hawaii Hotel Association, the Waikiki Improvement Association and Hawaii's Thousand Friends in support of the intent of the bill.

Testimony indicated that offshore sand recovery is a viable and cost effective method of obtaining sand for eroded beaches. Waikiki and Ala Moana beaches are appropriate for a demonstration project of sand recovery because of their high visibility, heavy use, importance to tourism and apparent proximity to offshore sand deposits.

Further testimony also revealed that an extensive study to determine the improvements necessary for Waikiki Beach, including computer and physical modeling is being included in the Department of Transportation's current plan.

Your Committee has amended this bill to allocate \$1,000,000 rather than \$2,000,000 for this project.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 172-90 Labor and Public Employment on H.B. No. 2489

The purpose of this bill is to amend Section 383-29 (a)(5)(D), Hawaii Revised Statutes, to conform with Section 3304(a)(7), the Federal Unemployment Insurance Employment Act (FUTA), for approval of the FUTA tax offset credits and Unemployment Insurance (UI) administrative grants.

This bill requires that individuals who established a prior unemployment insurance benefit year must work in covered employment and earn wages of at least five times the individual's weekly benefit amount in order to establish a subsequent benefit year. Failure to conform with FUTA requirements will result in higher UI tax liabilities for all employers in the state due to the loss of FUTA tax credits.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2489 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 173-90 Water and Land Use on H.B. No. 2104

The purpose of this bill is to appropriate funds to determine the feasibility of cleaning the Ala Wai Canal.

All testimony submitted on this bill was favorable to the concept of cleaning the Ala Wai Canal. The need for this bill is especially apparent as the canal is one of the focal points of Oahu's tourist mecca - Waikiki.

In addition to the City and County of Honolulu and the State, those supporting the bill included groups and persons with environmental, recreational and business interests.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2104 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 174-90 Legislative Management on H.B. No. 2258

The purpose of this bill is to create a joint legislative management committee within the legislature to establish general policy directions and to evaluate, supervise, and coordinate activities among the legislative support service agencies.

Your Committee finds that there is a need for improved coordination of services provided by and among legislative support service agencies and those provided by each chamber of the Legislature as we enter the 1990's, the Information Age. The National Council of State Legislatures highlighted two staffing trends impacting most state legislatures during the 1970's and 1980's: On one hand, legislatures are employing more full-time, year-round staff to support the legislative process. At the same time, the organizational structure of permanent full-time staff has moved toward decentralized units serving individual houses, committees and members rather than the legislature as a whole.

Similarly, rapid growth in the use of automated legislative data systems, and providing public access to some of these databases, has occurred in the 1980's. Consequently, these staffing, automation and organizational trends have led to the establishment of joint legislative management structures to better coordinate and integrate legislative staff services to enhance the productivity of legislative operations.

Testimony in general support of this measure was received from the Legislative Auditor, the Ombudsman, the Legislative Reference Bureau, GTE/Hawaiian Telephone Company, Common Cause Hawaii and other public interest groups, and the National Federation of Independent Business (Hawaii).

Based on recommendations of the Legislative Auditor, your Committee has amended this bill to clarify that legislative determination of the scope and responsibilities of the service agencies will not conflict with the Auditor's constitutionally-mandated post-audit function and the requirement that both houses authorize the Auditor to conduct investigations.

Your Committee has also amended this bill to clarify the definition of "legislative service agency" to refer specifically to the Legislative Reference Bureau, the Legislative Auditor, and the Ombudsman and to establish a process by which there would be a smooth transition in operations in the event that any house had not organized itself by the fifteenth day after the convening of the Legislature.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 175-90 Labor and Public Employment on H.B. No. 2789

The purpose of this bill is to provide a pension adjustment bonus to retirees who have ten or more years of service, effective July 1, 1990 and each July 1 thereafter. The bill also makes provisions for varying bonus amounts based upon the number of years of retirement.

Your Committee received testimony from the Coalition of Hawaii State-Counties Retirees recommending that the stipulation of ten or more years of service not apply to those pensioners who were forced to retire due to work related disabilities. Accordingly, the bill has been amended to reflect this recommendation. In addition technical, nonsubstantive amendments were 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. 2789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2789, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 176-90 Human Services on H.B. No. 2514

The purpose of this bill is to appropriate moneys to the Office of Children and Youth for a two-day seminar to gather maximum input from all concerned public and private agencies, and individuals regarding how to best implement the recommendations of the Legislative Auditor's study, entitled, Foster Care in Hawaii.

Your Committee received testimony in support of this bill from the Office of Children and Youth, and the Department of Human Services.

The Office of Children and Youth (OCY) recommended the addition of a second seminar with foster children, 12 years of age and older, to get their input concerning the recommendations of study. The OCY also indicated that the no additional funding would be required for this seminar.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Provided for OCY to hold an additional half or whole day seminar with foster children, 12 years of age of older, to get their input regarding the recommendations of the study;
- (2) Replaced the sentence, "Foster homes are one way out," with "Foster homes are one possible placement alternative for such children;" and
- (3) Added language which summarizes the study's findings.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2514, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 177-90 Education on H.B. No. 3400

The purpose of this bill is to appropriate funds for various capital improvement projects for public schools and libraries across the State.

Testimony in support of the bill was submitted by the Department of Education, the State Library System, school principals and teachers, and private citizens.

Upon further consideration, your Committee has amended the bill to clarify that the capital improvement project for a middle school on Kauai is for the North Shore on Kauai and that the funds will also be used for the design of the school.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3400, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 178-90 Agriculture on H.B. No. 3325

The purpose of this bill is to establish a revolving fund to be used for the control and eradication of pest bird species. The funds would be used for studying, controlling, or eradicating any pest bird species which could potentially have a negative effect on agriculture, horticulture, aquaculture, forestry, livestock, or native ecosystems. The measure provides for an appropriation of \$50,000 to establish the revolving fund.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR) recommending that the measure be amended to include all vertebrate pest species. The DLNR cited its concern about pests such as the brown tree snake. Testimony also revealed that this fund is to be used for the control and eradication of incipient or new introductions rather than established species. The Department further requested that the appropriation be increased to \$100,000.

Your Committee also received supporting testimony from the City and County of Honolulu's Department of Parks and Recreation, the Hawaiian Sugar Planters' Association, the Hawaii Farm Bureau Federation, the Hawaii Cattlemen's Council, and the University of Hawaii's Environmental Center.

Your Committee agrees with the concern of DLNR that there are other pests that should be controlled through this revolving fund. Your Committee has, therefore, amended this bill to include all vertebrate pest species and has increased the appropriation to \$100,000.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3325, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 179-90 Consumer Protection and Commerce on H.B. No. 2418

The purpose of this bill is to equalize the insurance premium tax assessed domestic and foreign insurers, to permit tax credits for eligible insurers, and provides an alternative set of rates without credits if the set of rates and credits are found unconstitutional by a court.

Your Committee heard testimony in favor of this bill from a domestic insurance company representative. He testified that under the present law, Hawaii imposes a tax on the gross premium income on the Hawaii generated business of authorized insurance companies. The tax rates depend on the type of insurance product and on the state of incorporation of the insurance company subject to the tax. Further, foreign insurers are taxed at a higher rate than domestic insurers on both life and their non-life insurance business. In 1986, the Hawaii Tax Appeal Court found the current statutory scheme to be unconstitutional. Consequently, he stated that this bill provided a coordinated scheme of regulatory requirements and related tax inducement in order to raise revenue, protect insurance consumers and promote economic development.

Your Committee heard testimony in opposition of this bill from an out-of-state insurance company representative. He testified that this bill would not relieve the State of the potential refund liability for taxes collected from out-of-state insurers from the early 1980's through 1990. Those taxes have been paid under protest by the out-of-state insurers, who have previously obtained a ruling at the trial court level that the current Hawaii premium tax statute is unconstitutional. Further, he testified that the provisions of this bill would take effect January 1, 1991, which raised a question as to whether future State insurance premium tax revenues will be subject to legal challenge and possible refund. The representative stated that during the 1989 legislative session, the insurance premium tax issue was addressed in S.B. No. 855, S.D. 1, H.D. 1. This bill is currently in conference committee. A proposed conference draft was formulated, but not formally discussed by the Conference Committee, prior to the close of the legislative session.

Your Committee has amended this bill to reflect the substantive portions of the proposed compromise bill worked by the parties during the 1989 legislative session. Your Committee retained the provision of H.B. No. 2418 which provided an alternate set of rates if the first set of rates is found unconstitutional and the provision which would allow a rebate if the alternative set of rates becomes effective. Your Committee believes that these amendments will allay the constitutional concerns addressed by the interested parties. Your Committee has also made technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2418, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2418, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 180-90 Legislative Management on H.B. No. 3174

The purpose of this bill is to appropriate funds to establish a steering committee that shall prepare and submit a preliminary report and a final report of findings and recommendations for implementation of a formal capitol tour and information service program by 1994.

Your committee heard testimony in favor of this bill from the Office of Information, Office of the Governor; the Office of Hawaiian Affairs; the Department of Education; the Bishop Museum; Hawaii Visitors Bureau; Hawaii Hotel Association; Common Cause Hawaii and other public interest groups; teachers; and other private individuals.

Your Committee finds that there is an excellent educational and cultural opportunity available in the development of a tour and information program for the State Capitol and the surrounding areas. Our State Capitol reflects our varied environment and heritage and is of great relevance not only for our own citizens, but for the many tourists who visit our state.

Your Committee finds that the area surrounding the State Capitol, which includes Iolani Palace, the Judiciary History Center, the Mission Houses Museum, Kawaiahao Church and the YWCA is rich in historical value and reflects our multi-cultural heritage.

Your Committee has amended this bill to broaden the scope of the steering committee's activities to extend beyond the Capitol Building and to include the surrounding historical district. It directs the steering committee to include within its reports, tour and educational programs which tie together the wide variety of historical buildings and sites found at the State Capitol and in the surrounding area.

Your Committee has further amended this bill to enlarge the composition of the steering committee to replace the Office of State Planning with the Office of Information, Office of the Governor and provide funding for staff support; to include three legislators from each house, including minority party representation; and to provide for legislative leadership of the committee.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 3174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3174, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 181-90 Legislative Management on H.B. No. 2259

The purpose of this bill is to expand the number of public access terminals in public libraries and other state facilities to increase access to legislative information.

Testimony in support of this bill included the Office of Information, Office of the Governor; the University of Hawaii; the Department of Education; the Hawaii State Librarian; the Supreme Court Library; the Hawaii Association of School Librarians; the William S. Richardson School of Law; the National Federation of Independent Business (Hawaii); Common Cause Hawaii and other public interest groups; the Information Industry Association of Hawaii and many private individuals.

In response to legislative concerns raised by the public during the 1989 session, Act 331, SLH 1989 established a Joint Legislative Access Committee comprised of House and Senate members to study ways to improve public access to legislative information through electronic means and to develop an Action Plan for implementation in 1990. The Legislative Access Committee and the respective leadership of both chambers administered several national and local surveys to determine how other state legislatures provide public access through technological means, conducted public hearings throughout the state; visited various sites to observe first-hand how various public access needs are met in other states, municipalities and the United States Congress.

In January, 1990, the Final Action Plan was released. It provides electronic access to legislative information through ACCESS, changes to enhance access to the Capitol building and major procedural improvements in the legislative process.

ACCESS has already allowed many citizens to receive information about the 1990 legislative session right in their homes. As the State administration's HAWIAN Gateway network is fully implemented ever expanding numbers of citizens, businesses, community organizations and government agencies will be able to obtain legislative information efficiently and rapidly.

Your Committee finds that the potential for increased participation in legislative issues is best exemplified in the testimony of Mark Maxey of Maui who said: "The strongest testament in support of this bill is the fact that you are reading my message at this moment. First I downloaded a copy of this bill via the ACCESS system and then fax'd this testimony to the Sergeant-at-Arms to get into your hands. This is what I call citizens directly participating in the legislative process. The ACCESS Legislative Information Service represents the greatest stride for the cause of democracy since the signing of the U.S. Constitution."

The provisions of H.B. 2259 were originally intended to expand the number and types of public facilities through which the public, students and others who do not own personal computers could access legislative information and participate in the legislative process. However, based on the testimony provided, your Committee finds that the acquisition of public access terminals will also require support for technical staffing, provision of the appropriate printers, telephone line installations, modems and software to fully implement the intent of this bill. Accordingly, your Committee has amended this bill to incorporate recommendations for additional funding for staffing, communications lines, and other necessary hardware for University of Hawaii libraries, including the Richardson school of law library, Department of Education schools and school libraries, the Hawaii State library and the Hawaii Supreme Court library networks; and to make minor technical amendments.

Your Committee has further amended this bill to include statewide "education-related databases" as part of the state information network in order to provide students with a major "magnet" information services that will help prepare them for the Information Age technically and intellectually.

Finally, your Committee has amended this bill to include recommendations for benches outside public hearing rooms as part of its commitment to expand and further improve public address in the Legislature throughout 1990.

Your Committee on Legislative Management is in accord with the intent and purpose of H.B. No. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2259, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 182-90 Higher Education and the Arts on H.B. No. 2722

The purpose of this bill is to amend the University of Hawaii's 1989 biennium budget by changing the appropriation from design, construction and equipment for faculty housing to planning of faculty housing facilities throughout the state.

Your Committee received testimony from the University of Hawaii's Vice President for Finance and Operations that stated it would be virtually impossible for the university to fund this project through revenue bonds at the present time.

Your Committee understands the need for faculty housing, especially in light of the University's problems with faculty recruitment and retention. The bill was intended to provide funding for a study of statewide faculty housing needs. Your Committee, therefore, will seek to provide funds for this through other means.

Accordingly, your Committee has amended the bill by deleting the entire appropriation.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2722, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 183-90 Higher Education and the Arts on H.B. No. 2544

The purpose of this bill is to appropriate moneys to Very Special Arts Hawaii to provide programs in the arts for disabled children and adults.

Your Committee heard testimony from the State foundation on culture and the arts, Very Special Arts Hawaii and various individuals. The testimony heard by your Committee stressed the importance of reaching the disabled through the arts programs to enable both the disabled and non-disabled citizens of our State to deal in a creative and understanding manner with each other.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2544 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 184-90 Higher Education and the Arts on H.B. No. 2373

The purpose of this bill is to provide for the celebration of the five hundredth anniversary of the arrival of Columbus in the New World by establishing a commission to be known as the commission on exploration, encounter and exchange on the occasion of the Columbian quincentenary.

Your Committee heard testimony in support of this bill from the City and County of Honolulu's Commission on Culture and the Arts, the Hawaii Committee for the Humanities, the Hawaii Heritage Center, the Puerto Rican Heritage Society, and the Hawaii Museum Association.

Your Committee agrees that the opportunity to participate in the planned dialogue that will be stimulated by this world-wide remembrance of Columbus's scientific adventure would serve the educational, cultural, artistic and scientific interests of the State.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2373 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 185-90 Higher Education and the Arts on H.B. No. 3010

The purpose of this bill is to appropriate money for plans, design, construction and equipment for the University of Hawaii's College of Education complex, which would include Phase I for the University Laboratory School, the preschool, the elementary school, and the secondary school facilities.

Your Committee received testimony from the University of Hawaii Vice President for Finance and Operations that stated the University has already engaged a planning and architectural firm for the development of the entire complex. With information based on the planner's report, the University plans to include a CIP proposal in its next biennium budget.

Your Committee recognizes the importance of public education in Hawaii, and its reliance upon services provided by the College of Education and its laboratory school.

Your Committee has amended the bill by excluding the \$30 million appropriation, and instead has left the amount blank. Your Committee hopes to have further discussion on this bill.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3010, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 186-90 Human Services on H.B. No. 3163

The purpose of this bill is to establish a cluster system of therapeutic foster homes where the foster parents are specially trained and paid to provide extraordinary care. The program will include these elements:

- (1) Provision of respite to homes within the cluster;
- (2) Specialized training and services as a group; and
- (3) State social workers and support staff to recruit, train, and provide ongoing services and monitoring.

Your Committee received testimony in support of this bill from the Office of Children and Youth; the Departments of Human Services and Health; and the Kapiolani Medical Center for Women and Children.

The Department of Human Services testified that one of the major problems in placing drug-exposed infants is the lack of licensed foster homes able to care for these infants. Currently, this Department estimates that the average wait between referral for placement and actual placement is three weeks.

The Department of Human Services also testified that the lack of trained staff for licensed homes contributes significantly to the foregoing problem.

The Department of Health felt that it should assist the Department of Human Services in providing specialized foster care to medically fragile children. An appropriation of \$120,780 was requested for this purpose.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Appropriated \$120,780 to the Department of Health to provide medical care management service which shall be supplemented with personal care differential payments and skilled nursing interventions to foster parents and other caregivers of medically fragile children;
- (2) Appropriated \$125,000 to the Department of Human Services for the development of an intensive medical support training program to prepare foster caregivers in assuming the task of providing care to drug-addicted and extraordinarily fragile babies;
- (3) Appropriated \$82,698 to the Department of Human Services to establish a community-based multi-disciplinary team to provide assistance to foster caregivers in the initial weeks of placement of drug-addicted or medically fragile babies; and
- (4) Made technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3163, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 187-90 Human Services on H.B. No. 3017

The purposes of this bill are to increase the public assistance basic needs allowance to seventy per cent of the standard of need and to require that by the year 2000 a plan be implemented to provide for a basic needs allowance which is one hundred per cent of the standard of need.

Your Committee received testimony favorable to this measure from the Department of Human Services, The Committee on Welfare Concerns, the Honolulu Community Action Program, the National Association of Social Workers, Hawaii Advocates for Children and Youth and the State Planning Council on Developmental Disabilities.

Your Committee finds that many of the critical social problems facing Hawaii today are attributable in large part to years of deprivation endured by children raised in poverty. It is well-documented that poverty can have long-lasting and irreversible effects on a child's self-esteem, health, educational achievement, employability, in short his or her ability to be a contributing member of society. The steps that Hawaii has taken to protect her most valuable asset-her children-cannot accomplish that task while thousands live in what would be dire poverty even in less costly states.

Your Committee has amended this bill by designating the sum to be appropriated in order to accomplish the first part of its purpose.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3017, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 188-90 Higher Education and the Arts and Health on H.B. No. 2253

The purpose of this bill is to provide financial aid to those students of the University of Hawaii John A. Burns School of Medicine who meet the entrance requirements of this institution, and are willing to commit two years of practice in the Department of Health or the Department of Public Safety upon completion of residency and licensure.

Your Committees find there is a shortage of physicians that are willing to work in state-run hospitals and community health clinics. This bill attempts to fill the vacant positions and meet the overall health care needs of people across the State.

Testimony in support of this measure was submitted by: the Office of the Vice President for Academic Affairs, University of Hawaii at Manoa, the Department of Corrections, the Department of Health, the Oahu Alliance for the Mentally Ill, and two community physicians. The Department of Health and the Department of Corrections noted, however, that physicians would be more willing to work in state-run hospitals and community health clinic positions if their salaries were increased.

Your Committees received further testimony from the Office of the Vice President for Academic Affairs, University of Hawaii at Manoa, and as a result the following amendments have been made to the bill:

- (1) The financial aid program will be offered to students in their fourth year of medical school, and not upon entrance, to ensure that students are committed to public service;
- (2) The participants of this program will be required to train in primary care residencies; and
- (3) The provision requiring the participants to begin the two year program immediately following licensure has been deleted because this provision would have prevented a physician from completing his/her residency.

In addition, it was clarified that the two year employment tenure could be satisfied in the Department of Health or the Department of Public Safety. Other technical nonsubstantive revisions have been made for purposes of style and clarity.

Your Committees on Higher Education and the Arts and Health are in accord with the intent and purpose of H.B. No. 2253, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2253, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 189-90 Human Services on H.B. No. 2645

The purpose of this bill is to appropriate funding for education of the families of mentally ill persons, in order to assist them to understand and provide for mentally ill family members.

Your Committee received testimony favorable to this measure from the Department of Human Services, the Department of Health, the Office of United Self-Help, the Mental Health Association, the Protection and Advocacy Agency, and the Hawaii Alliance for the Mentally Ill.

Since a large proportion of the mentally ill are cared for by their families, it is in the best interests of patients, families, and the state to invest in those families in ways that can prevent relapse and hospitalization. Education of caregiver families in understanding mental illness and its treatment, including proper use of drugs, is one of the least costly and most effective components in the spectrum of services for mentally ill persons.

Your Committee has amended this bill by designating the Department of Health, rather than the Department of Human Services, the expending agency, and adding the requirement that the Department consult with the Mental Health Association and the Hawaii Alliance for the Mentally Ill.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2645, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 190-90 Water and Land Use on H.B. No. 2023 (Majority)

The purpose of this bill is to improve the procedures regarding legislative disapproval of action on any exchange of public lands for private lands.

Under Section 171-150, Hawaii Revised Statutes, the Department of Land and Natural Resources is required to submit for introduction to the Legislature a resolution for review of any exchange of public lands for private lands during any regular or special session next following the date of exchange. According to the law, any land exchange shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by majority vote of both.

Under this bill, any exchange of public land for private land, where the value of the public land is more than \$1 million, shall be subject to approval by the Legislature by a majority vote of both the Senate and the House of Representatives. Under this proposal, the requirements for the exchange of public lands valued less than \$1 million would remain the same, thereby creating a two-tiered system.

The Department of Land and Natural Resources opposed this bill because requiring the prior majority approval by the Legislature instead of a legislative disapproval would discourage more land exchanges from occurring. The Department maintained that the present system is fair and just and provides an expedient method of acquiring land needed for public purposes.

Although your Committee appreciates the concerns of the Department of Land and Natural Resources that the proposed amendments may hinder the land exchange process, your Committee also finds that the bill, as drafted, would provide appropriate legislative review over major land exchanges in a positive manner.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2023 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 191-90 Water and Land Use on H.B. No. 2505

The purpose of this bill is to preserve and protect the Heeia wetlands area in Windward Oahu as an important public resource of the State by appropriating an unspecified sum of money for its purchase.

Your Committee finds that Bishop Estate, the major owner of the Heeia wetlands, is negotiating the sale of a 410-acre parcel of the area to an unknown purchaser. Some speculate that the purchaser intends to develop a full-scale golf course on the property. Your Committee further finds that this lush, undeveloped area presently serves many purposes including: a buffer between the urban fringes of Kaneohe and other adjacent communities; and a natural filter of silt and other substances that would otherwise pollute the waters of Kaneohe Bay. Accordingly, your Committee finds that the State should take steps to ensure the long-term protection of this valuable resource.

The Department of Land and Natural Resources, Hawaii's Thousand Friends, and Greenhouse Action testified in support of this bill.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2505 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 192-90 Water and Land Use on H.B. No. 3339

The purpose of this bill is to support the following capital improvement projects:

- (1) The renovation and restoration of a performing arts center in Honolulu (\$8,500,000);
- (2) The restoration of an art educational center in Honolulu (\$1,900,000);
- (3) The design and construction of a center for preserving Japanese cultural experience in Hawaii (\$3,000,000);
- (4) The acquisition of the Hawaiian Electric power plant in Honolulu (\$15,000,000); and
- (5) The acquisition of the Kukaniloko Birth Site on Oahu (\$700,000).

With regard to the acquisition of the Hawaiian Electric power plant:

- (1) The Department of Land and Natural Resources noted that its acquisition may be premature since it is not part of the Aloha Tower project nor is it earmarked for relocation or acquisition in the Honolulu Waterfront Master Plan; and
- (2) Malama Pacific Corporation (a real estate subsidiary of HEI, Inc.) testified that HEI has plans to develop the power plant property.

According to testimony presented by The Japan-American Society of Honolulu, the Japanese Cultural Center of Hawaii, and the Honolulu Japanese Chamber of Commerce, the Japanese Cultural Center of Hawaii will consist of a multi-story building that will eventually house a historical gallery, martial arts dojo, data resource center, library, offices, and conference/meeting facilities situated at the Japanese Chamber of Commerce site on Beretania Street. Total cost is estimated at \$15 million.

Your Committee finds that these five capital projects deserve further consideration by the Legislature.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 3339 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 193-90 Water and Land Use on H.B. No. 2701

The purpose of this bill is to permit the widening of Waikiki Beach to proceed by enabling the State to acquire certain property interests from private property owners. Currently, there is a serious need to restore portions of Waikiki Beach that have eroded over the years, especially between the Waikiki Aquarium and Fort DeRussy. Last session, the Legislature appropriated \$1 million for planning and restoration of Waikiki Beach through passage of Act 179, Session Laws of Hawaii 1989. However, this restoration project is being held up, because a few private shoreline property owners have been unwilling to dedicate their property rights or accept necessary amendments to agreements reached for previous beach widening projects.

This bill would address this problem by appropriating \$100,000 for the acquisition of certain property interests between the Waikiki Aquarium and Fort DeRussy. The intent of this bill is to ensure that publicly-funded beach widening projects do not result in expansion of private property interests in Waikiki Beach.

Your Committee received testimony in support of this measure from the Department of Transportation, the Department of Land and Natural Resources, the City and County of Honolulu's Department of Parks and Recreation, and the Waikiki Improvement Association.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2701 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 194-90 Human Services on H.B. No. 2090

The purpose of this bill is to appropriate funds to continue the substance abuse treatment program at the Oahu Community Correctional Center and expand it to the Women's Community Correctional Center.

Your Committee received testimony favorable to this measure from the Department of Corrections, the Office of Hawaiian Affairs, the Department of Health, and Alu Like, Inc.

Statistics of both the Department of Corrections and the Paroling Authority reveal a high percentage of drug abusers in both the incarcerated population and recidivists. Conduct of the current program has already resulted in a lowered rate of return to the facility, and the Department plans to expand the program with work-release, diversion, and after-care components as well as expanding to the Women's facility.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2090 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 195-90 Human Services on H.B. No. 2281

The purpose of this bill is to establish a family support center demonstration project, with several family support centers in different locations statewide, to demonstrate the effectiveness of the concept of community-based family support centers and to test different models of service delivery.

Your Committee received testimony in support of this bill from the Departments of Human Services and Health; the Hawaii Housing Authority; the Judiciary of the State of Hawaii; the State Planning Council on Developmental Disabilities; Alu Like, Inc.; the Association of University Women; PATCH (People Attentive to Children); Hawaii Literacy, Inc.; the Office of Children and Youth; the Chamber of Commerce of Hawaii; the Parent and Child Center of Hawaii; the Literacy Project Coordinator for Leeward Community College; the Hawaii State Commission on the Status of Women; the Hawaii Community Services Council; and the National Association of Retired Federal Employees.

The Department of Human Services indicated that in order to ensure community participation at the state level, the bill should establish a family support center council, composed of members from public and private sectors, which would be charged with planning and implementing the establishment of each family support center. This Department also indicated that a family support center board, composed of community members, should be established for each center to ensure participation and ownership at the community level.

Additionally, the Department of Human Services recommended the addition of a project evaluation component so that data can be gathered regarding the effectiveness of the family support center concept as well as the effectiveness of each center's approach.

Finally, several testifiers stressed the need for clarification of the term, "family," to ensure that services are not limited to the traditional nucleus family, but are offered to extended families and "hanai" children, as well as single-parent families.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Clarified that "family" refers to the family as an enduring personal support system with the functions of nurturing, caring for, and educating children, youths, adults, and the elderly;
- (2) Established a family support center council, consisting of representatives from public and private sectors appointed by the Governor, for the purpose of planning and implementing the establishment and development of family support centers;
- (3) Clarified that services developed by the family support centers shall reflect family support principles which direct that services must:
 - A. Be offered at convenient times in accessible locations;
 - B. Build on strengths, rather than search for deficits;
 - C. Involve participants and the community in planning and implementation;
 - D. Show respect for participants;
 - E. Serve the best interests of children;
 - F. Strengthen families; and
 - G. Be presented in coordination with other agencies and services in the community.
- (4) Provided that each center shall be governed by a community family support center board which shall be composed of community members;
- (5) Clarified that the family support center demonstration project shall develop each community's capacity to identify and resolve its problems;
- (6) Provided that after conferring with the family support center council, the Director of the Department of Human Services may enter into certain agreements, and allocate and expend resources;
- (7) Provided for the establishment of family literacy programs at three rather than four sites;
- (8) Added a project evaluation component;
- (9) Clarified that information on the following topics shall be included in status and final reports to the Legislature:
 - A. The allocation of funds with respect to each family support center;
 - B. The role and responsibility of each community family support center board;
 - C. The composition and role of each family support center; and
 - D. Recommendations regarding the process by which family support centers are allocated resources;
- (10) Designated the Department of Human Services as the expending agency for all sums appropriated; and
- (11) Deleted reference to the number of centers to be built under the project to ensure flexibility.

Technical, nonsubstantive amendments were also made 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. 2281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2281, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 196-90 Human Services on H.B. No. 2647

The purpose of this bill is to amend the Hawaii Revised Statutes, Section 346-29, to increase the amount of resources and income which can be retained by a spouse of a medically institutionalized person.

Your Committee received testimony favorable to this measure from the Department of Human Services, the Executive Office on Aging, the Commission on Status of Women, the Elderly Affairs Division of the Office of Human Resources of the City and County of Honolulu, the Hawaii Long Term Care Association, the National Association of Retired Federal Employees, and the Founders Group, Kokua Council.

Although only a small percentage of the elderly population uses long-term care, and most of those for less than one year, costs are prohibitive and rising. In addition, the population most in need of this care is expanding steadily, and without other programs which could underwrite the cost of such care, the frequency of familial impoverishment and marital dissolution will also increase, creating even greater public costs as well as social devastation.

Your Committee has amended this bill by deleting the dollar amounts specified and substituting language which would allow the maximum amount allowed by federal regulations, thereby allowing for departmental adjustments, without the necessity of statutory changes whenever adjustments are made in federal standards.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2647, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2647, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 197-90 Human Services on H.B. No. 2651

The purpose of this bill is to provide funds for a project that allows for case management services for wards being released from the Hawaii Youth Correctional Facility. The project offers the development of "client-specific plans" that incorporate an array of services to meet the unique needs of each youth. The project also provides for supervision and monitoring of the youth once the plan is enacted.

Your Committee finds that case management is very important when dealing with young people in need of guidance and supervision and it is important to serve the emotional, mental, and physical welfare of youth in the least restrictive way possible.

Your Committee received favorable testimony on this measure from the Department of Health.

Your Committee has amended the bill by inserting the figure of \$120,000 as the appropriation for the purposes of this Act.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2651, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 198-90 Human Services on H.B. No. 3253

The purpose of this bill is to appropriate funds for a study of the inmate population at the women's community correctional facility.

Your Committee received testimony in support of this measure from the Department of Corrections, the Office of Hawaiian Affairs, and the Hawaii State Commission on the Status of Women.

Your Committee find that such a study would provide a rational basis for the development and implementation of needed programs and services. In addition, the study may be used as a guide for the long-term planning in the Women's Community Correctional Center

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3253 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 199-90 Higher Education and the Arts on H.B. No. 3185

The purpose of this bill is to establish the individual artist fellowship program, set qualifying standards for the individual artist fellowships, establish an exhibit program and make an appropriation from the general revenues for the artist fellowship program to the State Foundation on Culture and the Arts.

Your Committee heard testimony from the State Foundation on Culture and the Arts. The foundation, in its testimony before your Committee, stated that their present staff level is inadequate to develop and implement the two new programs proposed.

This bill has been amended by your Committee by increasing the amount of the appropriation for the individual artist fellowship program to provide for one new staff position and fellowships. Your Committee has also amended this bill by eliminating the exhibit program of Section 2(13).

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3185, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 200-90 Higher Education and the Arts on H.B. No. 2606

The purpose of this bill is to amend Act 316, Session Laws of 1989, make an appropriation for the construction and maintenance of an historic plantation village at the Waipahu Cultural Garden Park and to require matching funds from the community.

Your Committee heard testimony from the State Foundation on Culture and the Arts and the Friends of Waipahu Cultural Garden Park in support of this bill.

Your Committee has amended this bill by leaving the amount of the appropriation open.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2606, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 201-90 Human Services on H.B. No. 3390

The purpose of this bill is to appropriate funds to develop and implement programs for female youth.

Your Committee finds that there is a lack of programs that focus on the needs of adolescent females, as compared with existing programs for males. This measure would rectify this inequity by funding programs, such as crafts, dance, sports, career development and self-improvement, which would be tailored to the needs of this group.

Your Committee received testimony favorable to this measure from the Young Women's Christian Association, The Honolulu Police Department, and the Office of Youth Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3390 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 202-90 Human Services on H.B. No. 3171

The purpose of this bill is to make loans available to persons with disabilities and their caregivers to enable them to make design alterations to their residential units, thus enabling the disabled to remain living in the community.

Your Committee received testimony favorable to this measure from the Housing Finance and Development Corporation, the Department of Health, The State Planning Council on Developmental Disabilities, The Commission on Persons With Disabilities, the Hawaii Center for Independent Living, The Kauai Center for Independent Living, the Hawaii Public Health Association, the Maui Mayor's Advisory Committee on Persons with Disabilities, and private citizens.

While most physically disabled persons are not in institutions or care homes, their ability to maximize their potentials for long-term independence is severely restricted. The addition of moderate-cost renovations adds greatly to their safety and capacity for self-care.

Your Committee finds that providing, through such a fund, the means for persons with disabilities to live independently for a longer period of time, is highly desirable and cost-effective.

As a majority of disabled persons reside in rented units, this fund must provide a means whereby the owner of the unit may restore the unit, insofar as state law requires, upon vacating by the disabled person. Your Committee therefore strongly urges the Housing Finance and Development Corporation to develop a method whereby the necessary funds would be available in such circumstances.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3171 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 203-90 Education and Human Services on H.B. No. 2299 (Majority)

The purpose of this bill is to establish a statewide after-school program in the public schools which provides an affordable and quality after-school program for fiscal year 1990-1991.

Testimony in support of this measure was submitted by the Office of the Lieutenant Governor, the Department of Education, the Hawaii Association for the Education of Young Children and the Office of the State Attorney General.

Testimony in opposition to the measure was submitted by the American Freedom Coalition.

Your Committees also received testimony from organizations representing or providing private child care in the community. These organizations include: the National Federation of Independent Business, the Hawaii Child Centers, the Variety School of Hawaii, the Manoa Valley Church After School Care Program, and the Nuuanu Pre-School. In general, these organizations presented testimony demonstrating their concern for the children that do not qualify for the State program, the cost and effect the State program will have on private child care providers, and the need for the State and private child care providers to work together when addressing the issue of providing quality after-school programs for all children. As a result, an informational task force will be formulated to address the concerns of the private child care providers as well as other interested parties designated by your Committees. Amendments to the bill will be made following the conclusion of the informational task force meeting and any other public hearings that will be held on behalf of the bill.

Your Committees find there is a need to establish a state supported after-school program to reduce the number of unsupervised children of which studies have demonstrated are exposed to a greater risk of physical injury, substance abuse, and criminal activity. A State-sponsored after-school program will provide enrichment as well as educational and

recreational activities with the purpose of enhancing the relationship between the home and school yet meeting the physical, social and growth needs of participating children.

Your Committees on Education and Human Services are in accord with the intent and purpose of H.B. No. 2299 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Amaral, Chang, Duldulao, M. Ige and Liu.
(Representative Cavasso did not concur.)

SCRep. 204-90 Education on H.B. No. 2301

The purpose of this bill is to provide for the election of the Board of Education members through a system of primary and general elections while retaining the nonpartisan character of elections.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the League of Women Voters of Hawaii.

Testimony in opposition to the measure was submitted by the Board of Education.

Your Committee finds that this measure will enable the public to make a well-informed, meaningful choice when electing candidates for the Board of Education. The primary election narrows the list of candidates running for office and gives the public more time to become familiar with the qualifications and viewpoints of the candidates.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 2301 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 205-90 Education on H.B. No. 3447

The purpose of this bill is to implement an in-school suspension program in the State's public high schools.

Testimony in support of the measure was submitted by the Department of Education, the Hawaii State Teachers Association, and the Judiciary. The Judiciary testified that the in-school suspension program should also be extended to the State's public schools at the intermediate level.

Your Committee finds that the in-school suspension program is a viable alternative to an out-of-school suspension program. The in-school suspension program will keep the suspended students from getting into further trouble in the community and will provide the counseling and guidance that many of them need. The program will also prevent these individuals from falling behind in their studies.

Your Committee on Education is in accord with the intent and purpose of H.B. No. 3447 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 206-90 Higher Education and the Arts on H.B. No. 2964

The purpose of this bill is to create a program that will motivate youngsters from the minority groups that are consistently underrepresented at the University of Hawaii to complete high school and continue their education at the various University of Hawaii college campuses. This program will provide academic preparation and college awareness activities beginning at the elementary school level as well as financial support when the youngsters are ready to enter college.

Testimony in support of the bill was submitted by the University of Hawaii, the Department of Budget and Finance, the Department of Education, the Kamehameha Schools, the Afro-American Lawyers Association, the Oahu Filipino Community Council, and the Sariling Gawa Coordinating Council.

In order to preserve the fund corpus in perpetuity as of June 30, 2000, your Committee has amended this bill by:

- (1) Deleting the provision that restricts the University from using no more than 10 percent of the principal deposited in the HOPE special fund for scholarships in any fiscal year;
- (2) Adding the provision allowing only earnings from the investment of the principal and income on deposit in the HOPE special fund received after June 30, 2000 to be available for appropriations; and
- (3) Adding the provision that the total sum appropriated for scholarship awards for any fiscal year shall not exceed 10 percent of the amount deposited in the HOPE special fund on June 30, 2000.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 207-90 Higher Education and the Arts on H.B. No. 3396

The purpose of this bill is to provide a tuition waiver program for neighbor island students who wish to pursue a degree program in education and are willing to return to the neighbor island to teach.

Testimony supporting the intent of this bill and H.B. 3027, which would establish a loan program for math or science teachers, was submitted by the University of Hawaii, the Department of Education, and the Hawaii State Teachers Association.

The University, however, believes that tuition waivers alone may not be adequate enough to attract students to teaching. They suggested that the language for the existing State Higher Education Loan Fund could be amended to provide for a loan forgiveness concept which would encourage students to fill designated critical worker shortage areas. The University did indicate that it would be necessary to provide additional general funds to support the loan program.

The Hawaii State Teachers Association pointed out that there is also a crucial need for teachers in areas beyond the scope of these two bills, and that in-service teachers are also in need of assistance.

Your Committee has amended the bill accordingly and incorporated the intent of both bills and the recommendation of the University of Hawaii.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3396, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 208-90 Higher Education and the Arts and Human Services on H.B. No. 2509

The purpose of this bill is to appropriate moneys for the University of Hawaii at Manoa Child Care Center to continue to provide affordable child care to its students, faculty and employees.

The University's child care center currently serves approximately 100 children. Many of the parents of these children are not able to afford outside child care service, or find it necessary to have their child attend a competent child care center relatively close to their classes or offices.

Recently, the University learned that its contracted child care service provider will not reapply for the contract when it comes up for renewal this summer. According to the University's Vice President for Student Affairs, the University does not want to jeopardize the existing program by seeking another contractor. Instead, the University believes that it would be best to take over administration of the program.

The funds requested in this bill will enable the University to continue to provide a much needed service. It will also allow the University to combat the high teacher turnover rate by offering more competitive salaries.

Above and beyond its role in providing a service to families, the University of Hawaii at Manoa Child Care Center benefits the State by providing a site for training of teachers of young children and other human service professionals, who use the center as a laboratory for child development research.

Your Committees received testimony in favor of the bill from the University of Hawaii's Vice President of Student Affairs, the Director of the Office of Children and Youth, and many concerned parents.

Your Committees on Higher Education and the Arts and Human Services are in accord with the intent and purpose of H.B. No. 2509 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige and Metcalf.

SCRep. 209-90 Higher Education and the Arts and Labor and Public Employment on H.B. No. 2481

The purpose of this bill is to allow the Hawaii Public Broadcasting Authority to use money in the Hawaii Public Broadcasting revolving fund to hire temporary staff, exempt from civil service and compensation law.

The Committee heard testimony in support of this bill from the Department of Commerce and Consumer Affairs. The Department's testimony, heard by your Committee, stated that the Hawaii Public Broadcasting Authority needs clear authority to hire temporary staff to fill exempt temporary positions for short term projects.

Your Committees on Higher Education and the Arts and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2481 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 210-90 Higher Education and the Arts and Intergovernmental Relations and International Affairs on H.B. No. 2273

The purpose of this bill is to appropriate funds for the creation of a weekly news program that will highlight the issues and developments in the Pacific region.

Your Committees find that the creation of a weekly news program about the Pacific region will broaden Hawaii's image in the world by establishing Hawaii as a leading Pacific information center and increasing Hawaii's role in international activities.

Testimony in support of this measure was submitted by the Hawaii Public Broadcasting Authority and the Hawaii Screen Actors Guild.

Your Committees have amended this bill by:

- (1) Reducing the sum appropriated to the Hawaii Public Broadcasting revolving fund from \$1,000,000 to \$1, for which the funds, or a portion thereof, must be matched on a dollar-for-dollar basis; and
- (2) Appropriating \$500,000 directly to the Hawaii Broadcasting revolving fund without a dollar-for-dollar matching requirement.

Your Committees on Higher Education and the Arts and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 211-90 Water and Land Use on H.B. No. 2451

The purpose of this bill is to provide immunity for landowners who allow access for no compensation for any purpose, to the landowners' property.

The State Attorney General's Office and the Hawaii Academy of Plaintiff's Attorneys opposed this bill. As presently written, the elimination of the term "recreational purposes", in effect, will give all landowners immunity from liability, even though its negligent failure to warn or its negligent maintenance activity causes injury or death.

Your Committee has amended this bill by retaining the language "for recreational purposes" in Chapter 520. Furthermore, your Committee has broadened the definition of "land" to include "rights-of-ways, trails, accesses".

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2451, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 212-90 Water and Land Use on H.B. No. 2575

The purpose of this bill is to strengthen the ability of the State to preserve and protect lands having value as a resource to the State by broadening the type of revenues that are required to be deposited into the fund for the environment.

In 1989, the Legislature appropriated \$90 million for the acquisition of approximately sixty-seven acres of the Kapalama Military Reservation through Act 73, Session Laws of Hawaii 1989, to ensure the planned development of the Honolulu waterfront. This bill amends Act 73 to require that any funds remaining unexpended or unencumbered as of February 28, 1992, shall be deposited to the credit of the fund for the environment. This fund was established to provide for the acquisition and management of lands which have natural, environmental, recreational, scenic, or historic value.

Your Committee received testimony in support of this bill from the Office of State Planning. The Department of Land and Natural Resources supported the intent of the bill.

Upon further consideration, your Committee has clarified the language of the bill by deleting the phrase: "lapse as of such date[.]; provided that these funds shall" from lines 8-9, page 2 of the original bill. With this deletion, the amended sentence would read: "Any funds remaining unexpended or unencumbered as of February 28, 1992, shall be deposited to the credit of the fund for the environment established under section 173A-5."

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 213-90 Water and Land Use on H.B. No. 3025

The purpose of this bill is to acquire development rights to effectively preserve and protect open and scenic areas.

Your Committee is in agreement that the funds appropriated toward land acquisition to preserve open and scenic areas is money well spent and serves as a first step toward protecting lands for public use.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 3025 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative O'Kieffe.

SCRep. 214-90 Economic Development and Hawaiian Affairs and Intergovernmental Relations and International Affairs on H.B. No. 2499

The purpose of this bill is to further economic development in Hawaii through the transfer of technology to the local business community. This would include joint development projects with international entities to: (1) foster the transfer of foreign technologies to Hawaii's businesses; (2) to provide marketing opportunities through contacts abroad; and (3) to provide technical assistance to local industry, such as the integration of state-of-the-art technologies to keep Hawaii's businesses competitive.

Your Committees received testimony from The Pacific International Center for High Technology Research (PICHTR) and the Department of Business and Economic Development in support of the bill.

Your Committees have amended the bill as follows:

- (1) Section 3 has been amended to read:

"The sum appropriated, or so much thereof as may be necessary for fiscal year 1990-1991, is to explore new opportunities in the public and private sectors for technology transfer projects which will lead to early commercialization and new economic activity in Hawaii. The sum appropriated shall be expended by the Department of Business and Economic Development (DBED) for the purposes of this Act."

- (2) An appropriation of \$2 has been assigned for the purpose of further discussion.

Your Committees on Economic Development and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2499, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2499, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Tajiri and Yoshimura.

SCRep. 215-90 Economic Development and Hawaiian Affairs and Intergovernmental Relations and International Affairs on H.B. No. 3164

The purpose of this bill is to assist persons who are displaced by the government's acquisition of private, commercial and industrial lands.

Testimony in support of this measure was submitted by the Departments of Land and Natural Resources and Transportation, the Hawaii Transportation Association, the Airport Industrial Tenants Association and a concerned constituent representing Greensands Subdivision and Hawaiian Homelands at Southpoint in Ka'u.

Your Committees have amended the purpose clause to more accurately reflect the intent of the bill, which is to assist businesses that are displaced by the government's acquisition of property. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committees on Economic Development and Hawaiian Affairs and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3164, H.D. 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committees except Representatives Horita, Oshiro, Tajiri and Yoshimura.

SCRep. 216-90 Economic Development and Hawaiian Affairs on H.B. No. 2986

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to Linguatron (USA) Limited for the establishment of an electronic computer equipment assembly plant and related facilities.

Under present law, the Department of Budget and Finance, with the approval of the Governor, is authorized to issue special purpose revenue bonds, in one or more series, for capital improvement programs such as assistance to manufacturing enterprises.

Your Committee received testimony from the Department of Business and Economic Development, the High Technology Development Corporation and Linguatron (USA) Limited in support of the bill.

The bill has been amended to reflect the following changes:

- (1) All references to "Part V, Chapter 39A" have been changed to "Part III, Chapter 39A";
- (2) All references to "industrial enterprise" have been changed to "manufacturing enterprise"; and
- (3) The deadline for issuing special purpose revenue bonds has been amended to read June 10, 1992.

Technical, nonsubstantive changes were made to the bill for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs concurs with the intent and purpose of H.B. No. 2986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2986, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 217-90 Economic Development and Hawaiian Affairs on H.B. No. 2230

The purpose of this bill is to authorize the trustees of the Office of Hawaiian Affairs to adjust the salaries of the deputy administrator and current officers and employees excluded from the salary increases and cost adjustments provided to other state officers and employees under Act 197, Session Laws of Hawaii 1989.

Your Committee received testimony from the Office of Hawaiian Affairs in support of this bill. Your Committee is concerned that pay levels of these positions be consistent with equivalent positions in State government and has requested the office to provide a detailed breakdown of all positions affected, the current salary, the salary adjustment, and the salary of equivalent positions in State government. Your Committee requests that the Committee on Finance not take action on this measure until all information requested has been provided and reviewed.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2230 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 218-90 Agriculture on H.B. No. 3209

The purpose of this bill is to support the development of diversified agriculture in the economically depressed North Hilo-Hamakua region. Under this bill, \$11,000,000 would be appropriated for fiscal year 1990-1991 for such developmental programs as: agricultural parks, agricultural experiment and research stations, agricultural-based residential communities, land acquisition, and infrastructure developments.

The testimony from the Department of Agriculture and the Governor's Agriculture Coordinating Committee (GACC) indicated that:

- (1) The region contains the State's largest single contiguous area in sugar production (over 50,000 acres) and several rural communities which are dependent on the sugar industry for their economic and social survival;
- (2) The current depressed state and future outlook of the sugar industry mandate the State to plan and develop this region for diversified agriculture; and
- (3) The GACC has conducted a preliminary survey of the area and has a contract for the development of an action plan. This action plan will serve as a basis for acquisition of land and project developments.

Your Committee believes that this matter deserves further consideration, but because the amount to be appropriated could not be justified without the completed action plan to be completed by March, 1990, your Committee has amended Section 2 of this bill by inserting a token appropriation of \$1.00.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3209, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 219-90 Agriculture on H.B. No. 3200

The purpose of this bill is to determine the feasibility of an interisland express delivery system by using high technology surface crafts to move agricultural products between the Hawaiian Islands. Under this bill, \$18,000 would be appropriated in fiscal year 1990-1991 for the High Technology Development Corporation to conduct a study to assess:

- (1) Need;
- (2) Design of an express system;
- (3) Availability of vehicles and technologies;
- (4) Market for an express service; and

(5) Costs of service to users.

The testimony from the High Technology Development Corporation and HITech indicated that high technology crafts (such as surface effect ships, SWATH ships, super outriggers, wave piercers, and high speed catamarans) can: maintain speeds of 25 to 45 knots in rough water such as the Molokai Channel, transit from Nawiliwili, Kauai to Honolulu in less than three hours, carry over 60 tons of cargo, roll on and roll off cargo and vehicles, and load and unload rapidly. One such craft can serve two neighboring islands in the same day. HITech's preliminary survey of farm organizations, shippers, and government officials indicated support for such a system. Moreover, the testimony indicated that if a market for such a system of express delivery exists, it is likely that a qualified entrepreneur can be found to build, operate, and maintain the system on a competitive basis.

Because the Department of Transportation (DOT) is most acquainted with the potential for high technology naval architecture, your Committee has amended Section 2 of this bill to make DOT the expending agency. Your Committee has further amended this bill to correct a typographic error on page 2.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3200, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 220-90 Agriculture on H.B. No. 3215

The purpose of this bill is to enhance Hawaii's floricultural industry through the State's participation at the AmeriFlora '92 international floral and garden festival. Under this bill, \$500,000 would be appropriated for fiscal year 1990-1991 for the State's representation at the festival to be held in Columbus, Ohio, from April 3 to October 12, 1992.

Testimony from the Department of Agriculture (DOA), the Department of Business and Economic Development, and the Big Island Association of Nurserymen indicated that AmeriFlora '92 is the first international horticulture exhibition ever to be presented by the United States. The exhibition, which will attract world attention and millions of visitors, is expected to be the most magnificent floral and garden exhibition in the western hemisphere.

Your Committee believes that this international festival would be an excellent opportunity for Hawaii to present the beauty and variety of nursery plants and flowers grown in Hawaii and available to buyers throughout the world.

Because the DOA is responsible for agricultural products promotion, your Committee has amended Section 2 of this bill to make DOA the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3215, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 221-90 Agriculture on H.B. No. 3303

The purpose of this bill is to amend Section 42-1, Hawaii Revised Statutes, to exclude activities or services involving agricultural research or promotion from the definitions of "grant," "purchase of service," and "subsidy".

The Legislative Auditor's financial audit of the Hawaiian Sugar Planters' Association (HSPA) indicated the need to clarify how Chapter 42 relates to research grants made to HSPA, even though it seems that the Legislature could renew grants, subsidies, and purchases of services. Your Committee received testimony from the Department of Agriculture (DOA), the Governor's Agriculture Coordinating Committee (GACC), and HSPA. Both DOA and GACC recommended that the measure be deferred until the legal implications of the bill can be resolved by a written Attorney General opinion which is anticipated shortly.

Notwithstanding the concerns of DOA and GACC, your Committee recommends that the bill be reported out for further consideration in case a vehicle is needed at a later date.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3303 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 222-90 Economic Development and Hawaiian Affairs and Water and Land Use on H.B. No. 3106

The purpose of this bill, as received by your Committees, is to require the Legislature to provide sufficient funds to the Department of Hawaiian Home Lands to carry out general water and other development projects. The bill also requires the Hawaiian Homes Commission to reserve sufficient water to meet current and future irrigation needs of homesteaders on Hawaiian Home Lands.

Testimony on this measure was submitted by the Department of Hawaiian Home Lands and the State Council of Hawaiian Homestead Associations. The Department testified that the language of this bill would appear to eliminate certain types of funding other than general funds, which would have serious implications for the Department's capital improvements program.

Your Committees have amended this bill by deleting the language which attempted to require the Legislature to provide sufficient general funds to carry out general water and development projects.

Your Committees on Economic Development and Hawaiian Affairs and Water and Land Use are in accord with the intent and purpose of H.B. No. 3106, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3106, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Kanoho.

SCRep. 223-90 Economic Development and Hawaiian Affairs on H.B. No. 3343

The purpose of this bill is to establish a native Hawaiian task force to work with the native Hawaiian community to determine the full scope and range of the self-determination and self-governance options available to them, and to make recommendations on a structure and form for self-determination and self-governance.

Testimony in support of this bill was received from the Office of Hawaiian Affairs, Alu Like, and the Association of Hawaiian Civic Clubs.

Your Committee has made the following amendments to the bill:

- (1) Added the Department of Hawaiian Home Lands and the Native Hawaiian Legal Corporation to the organizations represented on the task force;
- (2) Empowered the task force to include other organizations by a majority vote of the task force members;
- (3) Required the task force to recommend a process by which the native Hawaiian people can choose one form of self-determination;
- (4) Directed the task force to examine other initiatives for Hawaiian self-determination and cooperate with them if appropriate;
- (5) Required the task force to publish reports on its deliberations in the Office of Hawaiian Affairs newspaper; and
- (6) Appropriated the sum of \$1 for purposes of continued discussion.

Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3343, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Hemmings.

SCRep. 224-90 Economic Development and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 3195

The purpose of this bill is to appropriate \$145,000 to establish a space education teacher resource center at the Planetary Data Center of the University of Hawaii.

Testimony in support of this bill was received from the Department of Education, the Bishop Museum, and the Department of Business and Economic Development.

Your Committees have amended this bill to appropriate \$1.

Your Committees suggest that in the operation of the resource center, attention be paid to the broadening of space education to be included in the humanities curriculum in schools.

Your Committees on Economic Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3195, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3195, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 225-90 Labor and Public Employment on H.B. No. 2891

The purpose of this bill is to clarify amendments made in Act 385, Session Laws of Hawaii 1989, which allowed members of the Employees' Retirement Service to purchase military service credit.

This measure will reduce the cost of purchasing previous general membership service for police officers, firefighters, corrections officers, investigators of the prosecuting attorney and attorney general, and narcotics enforcement investigators from a rate of 10.4 or 12.2 percent to 6 or 7.8 percent.

Your Committee finds that this measure mandates that active military service must be in the armed forces of the United States and delineates service credit for active military service as follows:

- (1) The acquisition of membership service credit for noncontributory members will be at no cost;
- (2) Membership service credit for active military service will now be available to retirees who have at least three years of credited service during reemployment; and
- (3) Active military service will be considered service in the contributory member's occupation at the time the service is purchased and will provide a corresponding retirement benefit.

This measure also enables noncontributory members to acquire active military service, as well as other previous service, at no cost. Service credit will be earned at the rate of one month for each month of service rendered instead of being purchased after five years of service at a nonrefundable cost.

This bill, as received by your Committee, only allowed noncontributory members who purchased active military service subsequent to June 30, 1989 to receive a refund of the purchase cost by December 31, 1990. To correct this apparent inequity, your Committee has amended this bill to enable noncontributory members to receive the same benefit.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2891, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 226-90 Labor and Public Employment on H.B. No. 2793

The purpose of this bill is to allow a portion of the unemployment insurance experience record of a predecessor employer to be transferred to successor employers. Under this bill, the accumulated unemployment reserve may be divided among the successor employers based on the percentage of historical contributions made for each successor's employees during the previous three years.

The current law allows only one successor employer to succeed to the experience record of a predecessor employer. When there is more than one successor employer, the second or third employer must start out with a zero unemployment reserve and pays the "new employer" taxation rate. This bill seeks to provide relief to successor employers by allowing them to receive proportional reallocations of the unemployment reserve.

Your Committee received favorable testimony from Chaminade University of Honolulu, Saint Louis Catholic School For Boys, and the Marianist Center for Hawaii.

Your Committee has amended this bill to ensure that employees involved in the transfer are properly assigned to the clearly identifiable and segregable portion for the purposes of unemployment tax and benefit computation and to allow employers adequate time to complete an application for a transfer.

Your Committee has further amended this measure by providing a sunset provision.

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. 2793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2793, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 227-90 Labor and Public Employment on H.B. No. 2574

The purpose of this bill is to require the Board of Trustees of the Employees' Retirement System to divest all investments in companies doing business in the Republic of South Africa by July 1, 1992.

By passing this measure, your Committee believes that the Legislature, on behalf of the people of the State of Hawaii, will demonstrate this State's abhorrence of apartheid and other policies of racial oppression. These discriminatory practices should not, and will not be tolerated.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2574 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. 228-90 Labor and Public Employment on H.B. No. 2490

The purpose of this bill is to amend Section 383-29(d), Hawaii Revised Statutes, to conform with Section 3304(a)(7), the Federal Unemployment Tax Act (FUTA), for approval of the FUTA tax offset credits and Unemployment Insurance (UI) administrative grants.

Failure to conform with FUTA requirements will result in higher UI tax liabilities for all employers in the state due to the loss of FUTA tax offset credit. Furthermore, failure to amend Chapter 383 will jeopardize the federal administrative grants to operate the unemployment insurance program in Hawaii.

Your committee received favorable testimony from the Department of Labor.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2490 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. 229-90 Transportation on H.B. No. 2425

The purpose of this bill is to amend Section 266-27, Hawaii Revised Statutes, by prohibiting vessels found by law enforcement authorities to have been carrying illegal drugs from mooring in a state harbor.

Your Committee received favorable testimony from the Department of Transportation.

Your Committee finds that law enforcement agencies usually seize vessels found to have been carrying illegal drugs. The Department of Transportation recommended that a vessel under seizure by a law enforcement agency for carrying illegal drugs or a vessel which has been seized and later sold or otherwise lawfully transferred to a new owner by a law enforcement agency should be allowed to moor in a state harbor. Your Committee has amended this bill accordingly.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2425, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 230-90 Transportation on H.B. No. 2019

The purpose of this bill is to amend Section 235-7, Hawaii Revised Statutes by including as an exclusion from taxable income, any reimbursement received by an employee for an employer-subsidized transportation benefit.

Your Committee finds that tax incentives are a viable means of encouraging alternative modes of transportation. The economic benefits that would be realized from participating in ridesharing programs that are provided by employers would help lure people away from single-occupant vehicles.

Your Committee received testimony in favor of this bill from the Department of Transportation, Save Money and Ride Together (SMART), and Mililani Paratransit Services.

Your Committee has amended this bill by adding a requirement that employer-subsidized transportation benefits must be utilized for at least 15 working days a month in order for employees to exclude such reimbursements from taxable income. Your Committee has further amended this bill by making minor, non-substantive amendments in the interest of clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 231-90 Transportation on H.B. No. 2571

The purpose of this bill is to raise from \$300.00 to \$500.00 the property damage requirement to provide proof of financial responsibility for accidents and the filing of an accident report.

Your Committee finds that the cost of parts used to repair auto crash damages increased 70.6% from 1976 to 1987. Your Committee further finds that no comparable increase in the requirement to provide proof of financial responsibility for accidents and the filing of an accident report has accompanied the rise in costs.

Your Committee received testimony in support of this bill from the Department of Transportation and the Department of Finance of the City and County of Honolulu.

Your Committee has amended this bill to increase the property damage limit from \$500.00 to \$1,000.00 pursuant to a recommendation from the Department of Transportation.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2571, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 232-90 Transportation and Education on H.B. No. 2478

The purpose of this bill is to amend Section 296-46.1, subsection (d), Hawaii Revised Statutes to allow for a limitation on the age of school buses contracted by the state for the purpose of transporting pupils.

Your Committees finds that an age limitation on the buses that transport Hawaii's school children, would greatly enhance the safety and the quality of those vehicles. Your Committees also find that the National Transportation Safety Board has requested all states to adopt legislation establishing a date by which school buses manufactured before April, 1977 be phased out of use for the transportation of students.

Testimony for this bill was received from the Department of Transportation, Department of Accounting and General Services, Hawaii School Bus Association, Save Money and Ride Together (SMART), Akina Bus Services Ltd., and Gomes School Bus Service Ltd.

Your Committees on Transportation and Education are in accord with the intent and purpose of H.B. No. 2478 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committees.

SCRep. 233-90 Transportation on H.B. No. 2014

The purpose of this bill is to amend Section 286-15, Hawaii Revised Statutes, by creating a definition for a "pickup truck". Under this new definition, a "pickup truck" is a truck, as defined in Section 286-2, Hawaii Revised Statutes, with a cab on the front part of the truck covering the driver's seat, and an open platform with sides and a drop end in the back of the cab. This bill also clarifies the exemption clause stated in subsection (b) of Section 291-14, Hawaii Revised Statutes.

Your Committee received testimony from the Department of Transportation.

Your Committee finds that both a definition of a "pickup truck" and clarification of the exemption clause are necessary to properly implement this statute. Your Committee has amended this bill by modifying the definition of a "pickup truck" to include a maximum gross vehicle weight rating of 10,000 pounds or less. Your Committee has further amended this bill by modifying the exemption clause for the purposes of clarity.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2014, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 234-90 Transportation on H.B. No. 2036

The purpose of this bill is to establish criteria for the offense of operating a vessel in the waters of the State while under the influence of alcohol, a controlled substance, or any combination of the two. The bill also declares "implied consent" to submit to a chemical test as a condition of operating a vessel in the State's waters.

Your Committee finds that it is a matter of compelling public interest to keep intoxicated boaters from operating in our State's waterways. Although the number of tragedies due to drunk drivers on Hawaii's streets and highways constitute a great public concern, the same intensity of effort to dissuade drunk driving must be applied to the boating sector. This bill tracks to some degree, the existing laws pertaining to drunk driving and proposes similar, stringent laws for the penalty of "Boating While Intoxicated" (BWI).

Your Committee received testimony from the Department of Transportation, the Department of Health, and the National Marine Manufacturers Association.

Since the operation of commercial vessels falls under the jurisdiction of the United States Coast Guard and Federal Regulations, your Committee has amended this bill by limiting its scope to the operations of recreational vessels in the waters of the State.

Your Committee has further amended this bill as follows:

- (1) All references to "operating a watercraft" have been changed to read, "operating a vessel underway."
- (2) Definitions have been added for "operating a vessel underway," "navigate" or "navigation," "recreational vessel," and "underway."

- (3) A new section has been added requiring the Director to maintain a record of all persons convicted and the period of their suspensions.
- (4) The section entitled, "Chemical tests for intoxication," subsection (b), has been changed by stating that all breath tests or the collection of blood specimens shall be administered within three hours after the officer had probable cause.
- (5) The "Short title" section has been changed to the "Alcohol and Drug Boating Safety Act."

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2036, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 235-90 Transportation and Judiciary on H.B. No. 2075

The purpose of this bill is to require that Hawaii State driver's licenses issued for persons under 21 years of age contain the date when that person attains twenty one years of age. This bill also creates a committee, headed by the department of transportation, to select the form and content of the statement of age that the bill requires.

Your Committees finds that the provisions made in this bill will help servers and sellers of alcoholic beverages ascertain whether or not the holder of a driver's license is of legal drinking age.

Your Committee received testimony in favor of this measure from the Department of Transportation, Department of Finance of the City and County of Honolulu, and the Retail Liquor Dealers Association of Hawaii.

Your Committee has amended the bill by:

- (1) Requiring that the statement of age contrast with other information that is currently included on the Hawaii drivers license;
- (2) Deleting section 2, which authorizes the formation of a committee to select the form and content of the statement of age;
- (3) Deleting section 3 of this bill which appropriates funds for the purposes of this act; and
- (4) Changing the effective date from upon approval to January 1, 1991.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 2075, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2075, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri and Anderson.

SCRep. 236-90 Transportation on H.B. No. 2955

The purpose of this bill is to amend Section 271-5, Hawaii Revised Statutes, to allow all vehicles that operate exclusively within the airport premises to be exempt from the licensing requirements of the Public Utilities Commission.

At present, Section 271-5, Hawaii Revised Statutes, prohibits a person from engaging in the transportation of persons or property, for compensation or hire, over any public highway unless authorized to do so by certificate or permit issued by the Public Utilities Commission. Because roads on the airport premises are considered to be public highways, all vehicles use exclusively on the airport premises require Public Utilities Commission licensing.

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

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2955 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.

SCRep. 237-90 Transportation and Labor and Public Employment on H.B. No. 2956

The purpose of this bill is to amend Section 261-18, Hawaii Revised Statutes, to provide compensation comparable to that paid to airline employees to State airport employees for their participation in fire, crash or other aircraft emergency rescue drills or operations.

Presently, the Airports Division of the Department of Transportation supplements its professional, full-time crash, fire, and other aircraft emergency rescue staff with trained, non-professional airline crews to provide assistance in performing such services. Airline employees under contract with the State to provide such assistance are paid on the basis of each

drill attended or actual response to an emergency. Under the current statute, State employees so engaged, regardless of whether they attend a drill or perform any such rescue services, receive a \$25 a month "pay differential".

Your Committees agree that, in lieu of the differential, State employees attending drills, or performing fire fighting, crash, or other aircraft emergency rescue duties should receive the same hazard pay as airline employees.

Your Committees received testimony in favor of this measure from the State Department of Transportation.

Your Committees on Transportation and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2956, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 238-90 Transportation on H.B. No. 2011

The purpose of this bill is to increase penalties for the improper transportation of loads on our highways.

Your Committee finds that increasing the penalties for the improper transportation of loads is justified in light of the immense danger that such illegally loaded vehicles pose on our highways. Your Committee further finds that increasing the penalties would act to enhance voluntary compliance of our present laws.

Your Committee received testimony on this measure from the Department of Transportation.

Your Committee finds that under current statutes, the criteria for determining second and third violations are compiled against a vehicle and not the driver at the time of the violation. Your Committee has amended this bill by mandating that penalties for second and subsequent violations will be imposed, if it is either the vehicle's or the driver's second or subsequent offense within a two-year period starting from the time the first violation was recorded.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2011, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Anderson.

SCRep. 239-90 Transportation and Judiciary on H.B. No. 2950

The purpose of this bill is to amend the commercial motor vehicle driver licensing law to facilitate its implementation in accord with federal standards. This bill allows the counties to contract to "third party examiners" the administration of the commercial vehicle skills test. This bill also exempts certain classes of drivers from the commercial motor vehicle skills test. In addition, this bill also raises penalties for individuals who falsify or fail to report certain information, and for drivers who continue to drive after their license has been revoked, suspended, or cancelled.

Your Committees received testimony in favor of this bill from the Department of Transportation, the Department of Finance of the City and County of Honolulu, and the Hawaii Transportation Association.

Your Committees finds that this bill is necessary to bring state law into conformance with federal mandates.

Your Committees have amended this bill as follows:

- (1) Designate the State with the responsibility to enter into agreements with, and certify "third party examiners"; and
- (2) Add a provision that requires the State to reimburse the counties for all administrative costs relating to the commercial driver licensing program.

Your Committees have also made other nonsubstantive, technical amendments for purposes of clarity and style.

Your Committees on Transportation and Judiciary are in accord with the intent and purpose of H.B. No. 2950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2950, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri and Anderson.

SCRep. 240-90 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 2949

The purpose of this bill is to allow the counties to levy a 1/2% general excise and use tax for a period of ten years beginning on January 1, 1991 and ending on December 31, 2000. The moneys collected from the 1/2% surcharge may be utilized by the City and County of Honolulu to finance a fixed guideway mass transit system, and by the Counties of Hawaii, Kauai, and Maui for infrastructure and park needs.

Your Committees received testimony on this measure from Lt. Governor Benjamin Cayetano, the Department of Transportation, the Department of Taxation, the City and County of Honolulu, the County of Kauai, the Tax Foundation,

the Chamber of Commerce, the AFL-CIO, the Honolulu Mass Transit Coalition, Hawaiian Electric Industries, the Hawaii Business Roundtable, Outrigger Hotels, Wimberly, Allison Tong & Goo and a private citizen.

Your Committees find that in addition to continuing with the State's highway construction and maintenance program, it is imperative that initiatives be continued to lessen the number of automobiles on our highways. Your Committees further find that mass transportation, or more specifically the transportation of individuals by bus or fixed rail rapid transit, is a very viable means of lessening the number of automobiles on our highways. Your Committees also find that capital costs for the development of an efficient bus or fixed rail rapid transit system may be substantial and agree that a reasonable distribution of financial responsibility between participating government and private parties is essential.

Your Committees find that the City and County of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. Your Committees further find that the City will be unable to absorb the estimated 1.4 billion dollars required to build such a system and that assistance from state, federal, and private sector sources is imperative. Your Committees further find that the City's fixed rail rapid transit project appears eligible to receive assistance from the federal government for approximately 30% of the total construction cost.

Your Committees find that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb 100% of the construction cost to build such a system in return for various development rights and concessions. Your Committees further find that in order to adequately compensate such an entity for their 1.4 billion dollar outlay for the construction of a fixed rail rapid transit system, the development rights and concessions requested may not be conducive to the State or to the City and County of Honolulu. Your Committees also find, however, that should a private entity be asked to absorb a lesser portion of the total construction cost, that a reasonable compromise may be attained.

Your Committees find that several neighbor island counties presently have bus systems in operation and are in need of financial assistance to expand their systems by purchasing new buses. Your Committees also find that private sector entities such as the visitor accommodation industry, who are currently experiencing problems in retaining a sufficient number of employees, may be willing to contribute towards the enhancement of existing bus systems, or the creation of a new bus system.

Your Committees find that H.B. No. 2569 H.D. 1 creates a State Transit Capital Development Fund to assist the counties with capital costs involved in the development of mass transportation. Your Committees further find that this bill allows any county to request use of moneys in this fund for capital and construction costs to develop mass transportation. Your Committees further find that prior to attaining use of these funds, this bill requires a county to enter into a development agreement with the governor subject to the disapproval of the legislature, and provide a dollar for dollar match from county or private sources. Your Committees further find that this bill expressly prohibits the use of federal dollars for the purposes of satisfying this matching requirement.

Your Committees find that the State Transit Capital Development Fund is a very viable method in which to assist the City and County of Honolulu in the development of a fixed rail rapid transit system and to assist the neighbor island counties in the enhancement of their present bus transportation networks, and the creation of new bus transportation systems. Your Committees find that the City and County of Honolulu will have an opportunity under the provisions of the State Transit Capital Development Fund to finance the construction of a fixed rail rapid transit system with 35% of the cost coming from state dollars, 30% coming from federal dollars, and 35% of the cost from private sector dollars. Your Committees further find that this financing plan is premised upon the development of a fixed rail rapid transit system for Honolulu without increasing the tax burden on the residents of Hawaii.

Your Committees find, however, that in order to determine the amount in which a private sector entity interested in developing a fixed rail rapid transit system is willing to absorb and the nature of the concession requested by this entity from local government in order for this entity to absorb a portion of the construction cost will not be known until formal proposals are sought. Your Committees also find that a sound financial plan is desirable before initiating a request for formal proposals. Your Committees further find that it will be of great benefit if the City possesses, when refining bids received for the development of a fixed rail rapid transit system through negotiation, the leverage and authority to bargain with these private sector entities. Your Committees further find that the City should have the flexibility to select the type of system that is best suited for Oahu. In the event that the entity proposing what is determined to be the "best system" for Oahu is unwilling to absorb a portion of the cost in return for various governmental concessions, or if the offering from this entity is not sufficient to meet the matching requirement of the State Transit Capital Development Fund, your Committees feel that the City should have the flexibility to raise funds necessary at the local level to satisfy the requirements of the State Transit Capital Development Fund.

Your Committees have amended this bill as follows:

- (1) Authorize the counties to levy a 1/2% general excise and use tax beginning on January 1, 1993 and ending on December 31, 1998.
- (2) Mandate that for the City and County of Honolulu, revenue from this tax can only be used to meet the county/private sector matching requirement for the State Transit Capital Development Fund for the development of a fixed rail rapid transit system should private sector dollars be insufficient.
- (3) Mandate that a development agreement between the City and County of Honolulu and the State for the development of a fixed rail rapid transit system be signed by November 15, 1991 and that this agreement be submitted to the Legislature by December 1, 1991.
- (4) Authorize the Legislature to disapprove the development agreement by concurrent resolution during the 1992 regular session.

- (5) Include miscellaneous modifications to address the filing of short period annual returns, capital goods excise tax and other changes for the purposes of clarity.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2949, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2949, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri and Anderson.

SCRep. 241-90 Transportation and Health on H.B. No. 2668

The purpose of this bill, as received by your Committees, is to regulate the emissions from motor vehicles. In particular, this measure would require all motor vehicles registered in the State to pass an exhaust emissions test as a condition of receiving safety inspection certification.

Your Committees find that the Department of Health would be the most appropriate agency to fulfill the intent of this measure. Provisions regarding the regulation of emissions should be placed with statutory provisions dealing with air pollution.

Accordingly, your Committees have amended this bill to provide that the Director of the Department of Health establish by June 30, 1995, standards and procedures required for the certification of motor vehicle emissions for all motor vehicles operated on highways within the State.

Your Committees on Transportation and Health are in accord with the intent and purpose of H.B. No. 2668, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2668, H.D. 1, and be referred to the Committee on Planning, Energy, and Environmental Protection.

Signed by all members of the Committees except Representatives M. Ige and Tajiri.

SCRep. 242-90 Transportation and Health on H.B. No. 2002

The purpose of this bill is to add a new section to Chapter 342F of the Hawaii Revised Statutes that prohibits auxiliary devices on motor vehicles from emitting excessive noise. The bill also defines "auxiliary device" and authorizes the director to establish rules and enforcement measures.

Your Committees find that there is a growing problem of noise pollution emitted by motor vehicle audio systems. Your Committees further find that there is a problem of enforcement since noise levels must be measured by a device which has difficulty recording noise levels from moving vehicles.

Your Committees have amended this bill by removing present provisions and replacing them with a prohibition against the operation of any sound amplification system which can be heard outside the motor vehicle from a distance of 60 feet or more. Your Committees have made further amendments by adding various exemptions to the prohibitions set forth in this bill, and by inserting a \$25 fine for each violation.

Your Committees on Transportation and Health are in accord with the intent and purpose of H.B. No. 2002, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives M. Ige and Tajiri.

SCRep. 243-90 Transportation on H.B. No. 2573

The purpose of this bill is to enhance the enforcement of current laws prohibiting the unauthorized use of high occupancy vehicle lanes. This bill allows police officers to cite the registered owner of vehicles observed utilizing high occupancy vehicle lanes without the minimum number of required passengers without having to pull the vehicle to the side of the road during traffic.

Your Committee received testimony from the Department of Transportation, Honolulu Police Department, Oahu Metropolitan Planning Organization (OMPO), Mililani Paratransit Services, and Save Money and Ride Together (SMART).

Your Committee finds that the unauthorized use of high occupancy vehicle lanes is a great and growing problem. Currently, the Police Department faces a dilemma since violators must be pulled over to the side of the road to be issued a citation. Pulling violators to the shoulder of the road from the high occupancy vehicle lane can be hazardous and often results in traffic congestion. Your Committee finds that a reasonable alternative for citing high occupancy vehicle lane violators is needed.

Your Committee has amended this bill by adding a new section that describes the course of action to be taken if the registered owner of a cited vehicle fails to comply with an issued summons or citation. Your Committee has further amended this bill by allowing the citation to be issued through the mail to the last known address of the registered owner.

Your Committee is in accord with the intent and purpose of H.B. No. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2573, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 244-90 Transportation and Intergovernmental Relations and International Affairs on H.B. No. 2569

The purpose of this bill is to create a State Transit Capital Development Fund to assist the counties with the capital costs involved in the development of mass transportation. Prior to attaining use of these funds, this bill requires a county to enter into a development agreement with the governor subject to the disapproval of the legislature, and provide a dollar for dollar match from county or private sources. This bill expressly prohibits the use of federal dollars for the purposes of satisfying this matching requirement.

Your Committees find that in addition to continuing with the State's highway construction and maintenance program, it is imperative that initiatives be continued to lessen the number of automobiles on our highways. Your Committees further find that mass transportation, or more specifically the transportation of individuals by bus or fixed rail rapid transit, is a very viable means of lessening the number of automobiles on our highways. Your Committees also find that capital costs for the development of an efficient bus or fixed rail rapid transit system may be substantial and agrees that a reasonable distribution of financial responsibility between participating government and private parties is essential.

Your Committees find that the City and County of Honolulu is in the process of developing a fixed rail rapid transit system for Oahu. Your Committees further find that the City will be unable to absorb the estimated 1.4 billion dollars required to build such a system and that assistance from state, federal, and private sector sources is imperative. Your Committees further find that the City's fixed rail rapid transit project appears eligible to receive assistance from the federal government for approximately 30% of the total construction costs.

Your Committees find that various entities interested in building a fixed rail rapid transit system in Honolulu have indicated that they are willing to absorb 100% of the construction cost to build such a system in return for various development rights and concessions. Your Committees further find that in order to adequately compensate such an entity for their 1.4 billion dollar outlay for the construction of a fixed rail rapid transit system, the development rights and concessions requested may not be conducive to the State or to the City and County of Honolulu. Your Committees also find, however, that should a private entity be asked to absorb a lesser portion of the total construction cost, that a reasonable compromise may be attained.

Your Committees find that several neighbor island counties presently have bus systems in operation and are in need of financial assistance to expand their systems by purchasing new buses. Your Committees also find that private sector entities such as the visitor accommodation industry, who are currently experiencing problems in retaining a sufficient number of employees, may be willing to contribute towards the enhancement of existing bus systems, or the creation of a new bus system.

Your Committees received testimony on this bill from the Department of Transportation, the City and County of Honolulu and the County of Kauai.

Your Committees have amended this bill as follows:

- (1) Include an appropriation in the amount of 50 million dollars into the State Transit Capital Development Fund.
- (2) Include an amendment to Section 237-31, Hawaii Revised Statutes, transferring 50 million dollars per year from 1991 to 1999 from the general fund to the State Transit Capital Development Fund.
- (3) Include definitions for "mass transportation" and "private source revenue."

Your Committees have further amended this bill with other miscellaneous modifications for the purposes of clarity.

Your Committees find that with the above mentioned amendments, the City and County of Honolulu will have an opportunity to finance the construction of a fixed rail rapid transit system with 35% of the cost from state dollars, 30% of the cost from federal dollars, and 35% of the cost from private sector dollars. Your Committees further find that this financing plan is premised upon the development of a fixed rail rapid transit system for Honolulu without increasing the tax burden on the residents of Hawaii.

Your Committees on Transportation and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2569, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2569, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri and Anderson.

SCRep. 245-90 Transportation on H.B. No. 2464

The purpose of this bill is to amend public contract law by increasing the amount of expenditures requiring a call for informal bids from between \$4,000 and \$8,000 to between \$8,000 and \$15,000. The informal bid limits for public works, repair of equipment, and emergency roadway work are also comparatively increased by this bill.

Your Committee received testimony from the Department of Accounting and General Services.

Your Committee finds that by increasing only the informal bid limit, a conflict will arise with the current threshold for formal bids which is currently set at \$8,000. Your Committee has amended this bill by amending Section 103-22, subsection (a), Hawaii Revised Statutes, to raise the formal bid limit from \$8,000 to \$15,000.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2464, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 246-90 Labor and Public Employment on H.B. No. 2884

The purpose of this bill is to provide salary increases for the following public officers and employees: the Executive Director of Housing Finance and Development Corporation; the members of the Public Utilities Commission, the Labor and Industrial Appeals Board, and Hawaii Labor Relations Board; and the Director of the Office of Veteran Services. This proposal is to bring salary equity to the position commensurate with other comparable salaried executive positions enacted during the 1989 Legislative Session.

Your Committee received favorable testimony on this bill from the Department of Budget and Finance.

Your Committee has amended this bill by adding a new section to appropriate the recommended salary increases for the members of the Labor and Industrial Appeals Board which were inadvertently dropped in the final preparation of the bill.

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. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2884, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 247-90 Agriculture and Transportation on H.B. No. 2877

The purpose of this bill is to strengthen the current plant and nondomestic animal quarantine law.

More specifically, this bill will:

- (1) Amend the penalties for consistency and ease in application by establishing new penalties, increasing certain penalties, and providing for progressively incremental penalties for repeat offenders;
- (2) Compel airlines and other carriers to be more consistent in their duties to conform to the control law, particularly regarding the distribution and collection of the declaration forms by making noncompliance a violation subject to certain penalties;
- (3) Require the Board of Agriculture (Board) to maintain three types of lists of animals and microorganisms:
 - (A) A conditionally approved list which requires a permit for import;
 - (B) A restricted list which requires a permit for import and possession; and
 - (C) A prohibited list;
- (4) Automatically prohibit animals and microorganisms that are not on any of the lists to be imported until the Board reviews and makes a determination for placement on one of the lists;
- (5) Require the Board to maintain a list of restricted plants, and authorize the Board to maintain a list of prohibited plants;
- (6) Allow the Board to permit possession of plants, animals, and microorganisms under certain conditions;
- (7) Allow the Board to focus its confiscation and capturing efforts on highly restricted organisms that have escaped; and
- (8) Exempt the Advisory Committee on Plants and Animals and ad hoc or permanent subcommittees from the requirements of public notices for meetings.

Testimony in support of this measure was submitted by the Department of Agriculture, the Hawaiian Sugar Planters' Association, the Hawaii Farm Bureau Federation, the Kona Queen Company, the Hawaii Audubon Society, the National Audubon Society, the Sierra Club, the Conservation Council for Hawaii, the Hawaii Veterinary Medical Association, and the Petland. Many testified on the damages that already have occurred, not only to the agricultural industry, but also to Hawaii's native plants and animals through accidental, legal, and illegal introduction of plants, organisms, and animals.

Your Committees agree that Hawaii's unique and fragile environment must be protected and that strong control and enforcement provisions are needed to ensure an effective plant and nondomestic animal quarantine control program. Your

Committees believe that the provisions contained in this bill will help strengthen our efforts to control the importation and possession of plants, nondomestic animals, and microorganisms in Hawaii.

Upon further consideration, your Committees have decided to accept the recommendations of the Department of Agriculture to clarify the rule-making authority of the Advisory Committee on Plants and Animals and to further tighten up the penalty provisions. Accordingly, your Committees have made the following amendments:

- (1) Specified that the Advisory Committee on Plants and Animals is exempt from chapter 92, except for its role in establishing interim rules governing the transporting of flora and fauna into and within the State pursuant to section 150-9.5; and
- (2) Clarified the penalty provisions contained in Section 7 of the bill to minimize misunderstandings in the application of the penalties to the various offenses.

Other technical, nonsubstantive amendments have been made to correct drafting errors and for purposes of style and clarity.

Your Committees on Agriculture and Transportation are in accord with the intent and purpose of H.B. No. 2877, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2877, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Kanoho, Tajiri, Anderson, Hemmings and O'Kieffe.

SCRep. 248-90 Ocean and Marine Resources on H.B. No. 3365

The purpose of this bill is to appropriate from the general revenues the sum of \$1, or so much thereof as may be necessary for fiscal year 1990-1991, for reimbursing the counties for providing lifeguard services at State parks.

Your Committee heard testimony from the Department of Land and Natural Resources in support of this bill. Testimony indicated that the bill would provide lifeguard services funding for State beach parks transferred to the counties.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3365, 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, Isbell, Kanoho, Say, Hemmings and O'Kieffe.

SCRep. 249-90 Ocean and Marine Resources and Higher Education and the Arts on H.B. No. 3148

The purpose of this bill is to appropriate funds for the expansion of deep sea research capability at the University of Hawaii.

Your Committees received testimony in support of this bill from the University of Hawaii's Hawaii Undersea Research Laboratory and Dillingham Construction Pacific.

Your Committees find that an ocean floor navigation system and conducting cable are urgently needed to fully investigate the State's potential in the area of seamount and other bottom fisheries in the 200-mile Exclusive Economic Zone.

Your Committees on Ocean and Marine Resources and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3148, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 250-90 Ocean and Marine Resources and Economic Development and Hawaiian Affairs on H.B. No. 3145 (Majority)

The purpose of this bill is to assist Super Hero Manufacturing, Inc. in financing the establishment of a performance power boat manufacturing facility on Oahu through the issuance of special purpose revenue bonds.

Your Committees received testimony in support of this bill from the Gamma Corporation and Plas-Tech Ltd.

Your Committees find that the activity and facilities of Super Hero Manufacturing, Inc. constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

Your Committees on Ocean and Marine Resources and Economic Development and Hawaiian Affairs are in accord with the intent and purpose of H.B. No. 3145, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Fukunaga.
(Representative Bellinger did not concur.)

SCRep. 251-90 Ocean and Marine Resources on H.B. No. 2469

The purpose of this bill is to appropriate out of the general revenues the sum of \$150,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the purpose of developing an immediate in-water recompression procedure for the treatment of central nervous system decompression sickness and evaluating the efficacy of this treatment procedure on the basis of clinical and neuropathological examinations.

Representatives from the Department of Land and Natural Resources, the University of Hawaii John A. Burns School of Medicine, the Hyperbaric Treatment Center Committee, The Ocean Recreation Council of Hawaii (TORCH), the Hawaii Council of Diving Clubs, the Hawaii Fishing Coalition, Inc., Malama Na I'a and a professional diver submitted testimony in support of this bill.

Testimony indicated that the sooner recompression begins, the better the chance that permanent damage can be averted. Immediate first aid procedure could be a viable temporary treatment if developed scientifically and systematically with current knowledge of diving medicine and hyperbaric physiology.

Further testimony indicated that Hawaii's divers strongly suggest that immediate in-water recompression is an effective treatment and that it can occur at the diving site, is inexpensive in requiring only extra oxygen filled diving tanks on boats servicing divers, and can be taught to divers and boat owners.

Your Committee has amended Section 3 of this bill to state that the expending agency shall be the Department of Land and Natural Resources.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2469, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 252-90 Ocean and Marine Resources on H.B. No. 3282

The purpose of this bill is to prohibit after July 1, 1991, the sale of stony coral of the taxonomic order Madreporaria, including the Fungidae or Pocilloporidae families, except as may be allowed by permit for educational, research, or conservation district use purposes as authorized under Sections 187A-6 or 183-41 of the Hawaii Revised Statutes.

Your Committee received testimony from the Department of Land and Natural Resources, the University of Hawaii Environmental Center, The Ocean Recreation Council of Hawaii (TORCH), Malama Na I'a, Dive Makai Charters, Lahaina Divers, Friendly Charters and Petland, Inc.

Testimony indicated that because it is impossible to distinguish certain dead Hawaiian stony corals from those brought into the State from other countries, particularly the Philippines, a ban on the sale of all stony corals is not warranted.

In addition, prohibiting the sale of certain stony corals will help to establish the economic and environmental value of a whole, live reef systems.

However, further testimony revealed that imported, intact, dead, stony corals are important to saltwater fish aquariums as they balance the pH of the saltwater and provide natural habitats for the fishes.

Your Committee has adopted the recommendations of the testifiers by making the following amendments:

- 1) Listing of the species of coral prohibited from being sold in Hawaii;
- 2) Additional wording to subsection (b) which would clarify exceptions to the sale of coral;
- 3) The grace period for present vendors to sell out their inventories be extended from July 1, 1991 to July 1, 1992.

Your Committee feels that the prohibition of the species of coral listed in the bill will allow the aquarium industry to continue selling corals for use in saltwater aquariums. It is the selling of corals for souvenirs, a far larger and destructive market, that we are attempting to regulate.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3282, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Kanoho and O'Kieffe.

SCRep. 253-90 Agriculture on H.B. No. 2882

The purpose of this bill is to re-establish the Molokai Irrigation System Water Users Advisory Board until June 6, 1991, and thereby clarify the ambiguity with regard to its official status.

During the 1987 session, the Legislature inadvertently passed two conflicting measures relating to Chapter 175 (Molokai Irrigation and Water Utilization Project). First of all, Act 179, Session Laws of Hawaii (SLH) 1987, established the

Molokai Irrigation System Water Users Advisory Board (as Section 175-2.5, Hawaii Revised Statutes) with a repeal provision on June 6, 1991. At the same time, Section 19 of Act 306, SLH 1987, among other things, repealed Chapter 175 two years from the effective date of enactment of a State Water Code. Since the State Water Code was enacted into law as Act 46, SLH 1987, effective July 1, 1987, this meant that the repeal provisions of Act 306, SLH 1987, took effect on July 1, 1989, and repealed Chapter 175 in its entirety.

This bill would remedy the problem of re-establishing this Advisory Board and allow the original Board members to serve the balance of the term. In addition, this bill places the Advisory Board within the Department of Agriculture for administrative purposes. Your Committee finds that it was not the legislative intent to terminate this Advisory Board prior to June 6, 1991.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2882 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 254-90 Agriculture on H.B. No. 2495

The purpose of this bill is to enable any unexpended funds appropriated for fiscal year 1989-1990 for research on various fruit fly control and eradication projects to be expended in fiscal year 1990-1991. Last session, the Legislature appropriated \$170,000 for fiscal year 1989-1990 to be expended for these projects. Section 33 of Act 316, Session Laws of Hawaii (SLH) 1989, also required that if federal funds are received for this same purpose, the unexpended amounts of general funds shall lapse. This bill proposes to enable any unexpended appropriations to continue to be used in fiscal year 1990-1991 for fruit fly control and eradication projects by deleting the lapsing provisions in Section 33 related to the availability of federal funds.

The Hawaii Fruit Fly Committee testified that:

1. Despite the deletion of the lapsing provision in Section 33 as proposed in this bill, the unencumbered funds would still lapse on June 30, 1990, because these funds are appropriated for fiscal year 1989-1990; and
2. It doesn't need any additional funding for fiscal year 1990-1991, provided that any unexpended appropriations from fiscal year 1989-1990 can be carried over into the upcoming fiscal year.

Your Committee finds that due to the lapsing requirements, unencumbered funds appropriated in fiscal year 1989-1990 cannot be carried over to the next fiscal year. For this reason, your Committee has amended this bill by replacing the language of Section 1 with new language appropriating \$55,000 for the same projects. In appropriating these funds, your Committee points out that this is, in reality, a re-appropriation of funds since the same amount is scheduled to lapse on June 30, 1990, from the \$170,000 originally appropriated in Act 316, SLH 1989. Your Committee has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2495, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 255-90 Ocean and Marine Resources on H.B. No. 3326

The purpose of this bill is to appropriate out of the general revenues the sum of \$262,500, or so much thereof as may be necessary for fiscal year 1990-1991, to reimburse the county of Kauai for performing river mouth cleaning for the State during 1987 through 1989.

Your Committee received testimony from the Department of Public Works of the County of Kauai in support of this bill.

Testimony indicated that although the Hawaii Revised Statutes clearly establishes that the County is not responsible for the opening of the mouths of the major streams and rivers, the County of Kauai has for many years vested interest in keeping the mouths opened to minimize the hazards of flooding for the affected residents and businesses. They are the only County currently performing this function without any reimbursement from the State. In addition, they are willing to assist the State provided that they are reimbursed for the costs.

Your Committee agrees with the intent of the bill but has serious reservations regarding this matter, as they feel that an Environmental Impact Statement (EIS) should have been performed prior to the cleaning of the affected areas and that all future work should require notification of the respective State agency regarding an EIS.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3326, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 256-90 Agriculture on H.B. No. 3323

The purpose of this bill is to appropriate \$18,000 for the purchase of a seed harvester to be loaned to the Plant Material Center of the USDA Soil Conservation Service.

Your Committee finds that there is a statewide shortage of seed necessary for pasture improvement caused by a ban on imported seed from Australia, the traditional source of pasture seed, due to diseases that should not be transmitted to Hawaii. Your Committee finds that this lack of seed is having an adverse impact on the ability of ranchers to improve their pastures and, consequently, is affecting Hawaii's beef industry. Your Committee finds that although the USDA's Plant Material Center on Molokai has the expertise to produce the seeds needed by the ranchers, the Center needs a machine to properly harvest the seed. This bill would appropriate the necessary funds to purchase a seed harvester. Your Committee further finds that this measure will provide relief to ranchers and may cause private seed companies to eventually start a pasture seed industry in Hawaii.

Because the Governor's Agriculture Coordinating Committee (GACC) has the function of coordinating agricultural industry activities, your Committee has amended Section 3 of this bill to make the GACC the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. 3323, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 257-90 Agriculture on H.B. No. 3376

The purpose of this bill is to develop taro as a diversified, commercial agricultural crop on the island of Molokai. Under this bill, \$96,000 would be appropriated for fiscal year 1990-1991 to develop a dry land taro industry. The appropriation would also be used to hire a consultant to assist the farmers and to purchase planting and harvesting equipment and machinery.

Testimony from the Department of Agriculture, the Governor's Agriculture Coordinating Committee (GACC), the Department of Business and Economic Development, the Molokai Institute of Agriculture, and the Agriculture Subcommittee-Molokai Task Force indicated that:

- (1) Molokai has land and water to support a healthy dryland taro industry;
- (2) Dryland taro production will be the most obvious way to solve the poi supply shortage problem;
- (3) Production and processing of taro are ideal community-based projects for small groups;
- (4) Assistance of this type is most likely available from the University of Hawaii; and projects of this nature would require long-term commitments; and
- (5) A taro industry analysis will be conducted on a statewide basis in 1990, to update the GACC analysis completed in 1986.

Since your Committee finds that the GACC's industry analysis for taro may be too general to examine Molokai's potential for taro production, your Committee has amended Section 2 of this bill to provide \$30,000 for a feasibility study on the production, manufacturing, and marketing of taro on Molokai. Your Committee has also deleted all references to the hiring of a consultant and purchasing of equipment and machinery. Finally, your Committee has amended Section 3 of this bill to make the GACC the expending agency.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3376, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 258-90 Ocean and Marine Resources on H.B. No. 3442

The purpose of this bill is to amend Chapter 188, Hawaii Revised Statutes, by adding a new section to make it unlawful to possess or use any gill net in any embayment estuary and fishing conservation area.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR) and Malama Na I'a in support of this measure.

Testimony indicated that gill nets are non-selective and catch fish solely on the size and shape, regardless of species and value. They also act by entangling, so unwanted fish that are gilled often die before they can be released.

Further testimony indicated that it would be extremely difficult for a fisherman or enforcement officer to know whether or not the prohibition applies to any particular location or that it applies to all embayments and estuaries, whether natural or man-made.

Your Committee, therefore, has adopted the recommendations of DLNR by amending the bill to provide authority to the Department to define and delineate specific boundaries of embayment estuaries within Fisheries Management Areas pursuant to the Administrative Rules process, if such boundaries are not already established by statutes or rules.

Your Committee has further amended the bill to replace "fishing conservation area" with "marine life conservation district" in accordance with Chapter 190, Hawaii Revised Statutes.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3442, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 259-90 Ocean and Marine Resources on H.B. No. 2994 (Majority)

The purpose of this bill is to prohibit the operation of thrill craft and motorized vessels towing a person engaged in parasailing in designated waters of the State from the high water mark to one-thousand feet offshore and to prohibit their operation between December 15 and May 15 of each year to minimize adverse impacts on endangered sea creatures such as migratory humpbacked whales and sea turtles.

Your Committee received testimony from the Department of Transportation, Oahu and Kona Parasailors, The Ocean Recreation Council of Hawaii (TORCH), the Sierra Club Legal Defense Fund, Inc., the Center for Whale Studies, Maui Hotel Association, Hawaii's Thousand Friends, Aloha Ocean Sports Inc., Koko Head Ocean Sports, Inc., whale researchers and private citizens.

Supporting testimony indicated that the continuous daytime traffic by thrill craft and parasail boats in near shore, shallow waters threaten humpback whale population recovery due to the underwater noise of these vessels adversely disrupting the whale's acoustical environment, its mating system and the survival of calves.

However, opposing testimony revealed that controlling the activities of these vessels is an accepted measure rather than a total ban. Banning the parasailing and thrill craft businesses from operation for five months a year will be to drive all of these companies out of business and into bankruptcy.

Your Committee is mindful of the urgent need to protect these endangered species while still recognizing the predicament companies will face with such a ban. However, upon further consideration, your Committee believes that more steps should be taken to protect our whale population.

Accordingly, your Committee has amended this bill to also prohibit operations on all weekends, and state and federal holidays.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2994, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Kanoho.
(Representatives Bellinger and Isbell did not concur.)

SCRep. 260-90 Ocean and Marine Resources on H.B. No. 3276

The purpose of this bill is to serve as a mechanism to resolve competing uses within Kaneohe Bay by classifying the Bay as a State Park and placing the Bay under the jurisdiction of the Department of Land and Natural Resources. The bill also creates a Kaneohe Bay advisory committee whose role is to develop recommendations for a Kaneohe Bay Master Plan. In addition, the bill appropriates an unspecified sum to carry out the purpose of this Act.

Your Committee received testimony from the Department of Land and Natural Resources (DLNR), the Hawaii Institute of Marine Biology, The Ocean Recreation Council of Hawaii (TORCH), the Sierra Club-Hawai'i Chapter, Friends of He'eia State Park, the Kaneohe Neighborhood Board, the Kaneohe Yacht Club and private citizens.

Testimony indicated that Kaneohe Bay is a unique marine resource under stress at this time with many natural and unnatural factors contributing to the current situation which include land runoff, sewage spills, overfishing and concentrated human activity on fragile patch reefs.

Testifiers in support of this measure stated that if sole jurisdiction were placed under DLNR as a State Park, sensible limits and regulations could be established and enforced by one single body.

However, though DLNR and TORCH can appreciate the intent to protect the Bay's marine ecosystem, they do not support Kaneohe Bay's designation as a State Park. DLNR states that the more desirable means to address the ongoing user competition of a boating/thrillcraft nature should be the Department of Transportation's Ocean Recreation Management Plan for regulation and reduction.

In addition, TORCH favors the concept of an Advisory Committee to develop a Master Plan for the Bay.

Your Committee, upon further consideration, has adopted the recommendations of the testifiers by making the following amendments to the bill:

- (1) Specifically establishing a Kaneohe Bay Advisory Committee to study and develop a Master Plan which would be part of the Department of Transportation's Ocean Recreational Plan,

- (2) Establishing a moratorium on any additional commercial use of the Bay.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 3276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3276, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Isbell, Kanoho, Say, Hemmings and O'Kieffe.

SCRep. 261-90 Labor and Public Employment on H.B. No. 3337

The purpose of this bill is to require the Board of Trustees of the Hawaii Public Employees Health Fund to pay the entire monthly cost or 100 percent of health insurance premiums for those employee-beneficiaries who enroll in a health benefits plan of employee organizations.

Since 1967, Health Fund plans providing benefits to public employees fell into two categories:

- (1) Employee organization plans; and
- (2) Contracted plans whose providers are selected by the Board of Trustees of the Health Fund.

These two types of plans now offer eligible participants a choice in the areas of group life insurance, adult and children's dental benefits, prescription drugs benefits, vision care benefits, and basic medical coverage.

Your Committee finds that the Health Fund policy was changed so that retirees who chose employee organizations plans would be treated like regular employees whose contributions are partly employee paid. It was the original intent of the Legislature that eligible retirees shall not be required to make any contribution to the Health Fund, as provided in Section 87-6(c).

This bill addresses this discrepancy by ensuring that retirees are not required to pay for any of their health benefits, under Chapter 87 whether enrolled in employer organization plans or contracted plans.

Testimony from the Hawaii Public Employees Health Fund indicated that the bill, as received, would be interpreted to require public employers to fund 100 percent of their employees' health benefits plan premiums. This measure has been amended to specify that retired employees, surviving spouses of retired employees, and surviving spouses of employees killed in the performance of their duties will not have to pay for their health benefits.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3337, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 262-90 Labor and Public Employment on H.B. No. 2372

The purpose of this bill is to require each employee-beneficiary with more than one health benefit plan to designate which would be the primary plan of his or her health insurance claims.

Currently, a contract between the state and medical insurance carrier provides that the "birthday rule" determines who is to be the primary and secondary insurance carrier. The birthday rule provides that when a child is covered as a dependent of one parent under a medical insurance plan and as a dependent of the other parent under another plan, the plan of the parent whose birthday falls earlier in the year is the primary carrier.

Your Committee received testimony from a woman who related her experience in which she suffered unnecessary financial hardship and mental distress as a result of this birthday rule. Your Committee finds that this contractual provision creates hardship for those persons with dual medical coverage and hopes this bill can address this inequity.

Based on the recommendations of the Hawaii Public Employees Health Fund, your Committee has made technical, nonsubstantive amendments to this 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. 2372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2372, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 263-90 Labor and Public Employment on H.B. No. 2314

The purpose of this bill is to provide economic relief by providing benefit rate adjustments to permanently totally disabled workers who are receiving weekly compensation benefits determined and fixed at the time of their injuries.

Your Committee received favorable testimony from the Department of Labor and Industrial Relations and the Hawaii State AFL-CIO.

Your Committee has amended this bill to provide for a mechanism to automatically increase the legislative benefit amounts every ten years following the 1990 adjustments.

Your Committee has further amended this bill to provide the Department of Labor and Industrial Relations adequate time to secure the appropriate adjustments with the current fund balance and expenditure projections which do not include additional benefit rate adjustments.

Under existing law those who are permanently and totally disabled received supplemental adjustment benefits effective June 18, 1980, if their injury predated June 18, 1980. Your Committee, by amending this bill does not intend to eliminate said adjustments. Your Committee merely intends to provide additional adjustments effective upon approval of this measure.

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. 2314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2314, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 264-90 Transportation on H.B. No. 2960

The purpose of this bill is to amend various provisions of Act 309, SLH 1989, on the recommendation of the State's Bond Council, to clarify the provisions of Act 309, Relating to State Special Funds.

Act 309, SLH 1989, provided increased flexibility within executive departments to expend general fund resources through the use of excess special funds, so as to increase the effectiveness and utilization of all financial resources of the State.

In specific, the Act provided the mechanism for the transfer of excess special funds from the Department of Transportation to other special funds within the department, or to the general fund.

Your Committee received testimony from the Department of Transportation.

Your Committee finds that this bill will provide the technical, nonsubstantive changes to various sections of Act 309 so as to make use of its provisions without jeopardizing any of the State's agreements with respect to the receipt of federal funds or to outstanding bond obligations.

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 2960 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 265-90 Transportation on H.B. No. 3081

The purpose of this bill is to amend Section 286-128, Hawaii Revised Statutes, by modifying the point system for evaluation of operating records of motor vehicle operators, and extending the period of time that those points shall exist on a driver's operation record.

Your Committee finds that highway safety is a great concern, and the current point system for operator evaluation should be strengthened to penalize individuals who violate traffic laws. Extending the period for which the points are accumulated will enhance the significance of this system.

Your Committee received testimony on this bill from the Department of Transportation and Lauren Brennan.

Your Committee has amended this bill by:

- (1) Deleting provisions to increase points for various offenses.
- (2) Retaining the right for the District Court Judge to suspend the license suspension upon the showing of good cause in Section 286-128(b).

Your Committee on Transportation is in accord with the intent and purpose of H.B. No. 3081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3081, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Tajiri and Anderson.

SCRep. 266-90 Ocean and Marine Resources and Transportation on H.B. No. 2265

The purpose of this bill is to provide for a more efficient and effective shoreline and ocean waters enforcement program by transferring the boating branch, including the marine patrol program, and the responsibility of managing ocean recreation activities from the Department of Transportation to the Department of Land and Natural Resources.

Your Committees received testimony from the Department of Transportation, the Department of Land and Natural Resources, and Department of Business and Economic Development, The Ocean Recreational Council of Hawaii (TORCH), Malama Na I'a, the Hawaii Fishing Coalition, Inc., Haleiwa Trolling Club, the Aiea Boat Club and several marine patrol officers.

Testimony indicated that marine enforcement in Hawaii has long been hampered by overlapping and confusing jurisdiction between the various enforcement agencies. This effective merger will create a more powerful and efficient enforcement branch.

The Department of Transportation, the Department of Land and Natural Resources, and the Department of Business and Economic Development supported the intent of this bill but maintained that a more comprehensive transfer is needed that takes into consideration not only the enforcement functions relating to ocean recreation and boating but also the nonenforcement functions as well.

Although your Committee agrees that a more comprehensive approach may be more appropriate from an administrative perspective and may, in fact, help reduce public confusion of departmental jurisdiction over ocean-related activities in the long run, the Committee is convinced that such a major transfer of these nonenforcement functions should be well thought of. It is your Committee's intention to involve a step-by-step process to provide for a smooth integration of the transfer.

Therefore, in order to gain a better understanding of the merits of such a transfer, your Committee has amended this bill by inserting a new Section 10 that calls for a transfer plan of such a proposal. Your Committee requests that the management team, concurrently do a feasibility study to look at the transferring of the other functions from the Department of Transportation to the Department of Land and Natural Resources as proposed by the Administration.

Your Committee has further amended this bill to address a management team and the timing of the transition plan. Although Section 9 provides for the appointment of a management team to develop transition plans to implement this transfer by July 1, 1991, this Committee does not intend for the transfer of personnel to be delayed until all of the administrative details have been worked out. Therefore, it is the intent of this Committee that the personnel belonging to the marine patrol program be absorbed into the Department of Land and Natural Resources (DLNR) immediately upon enactment of this bill.

This Committee also recognizes that such an immediate transfer may create some temporary logistical problems. For this reason, it is the legislative intent that after the marine patrol personnel has been placed under the direction and supervision of DLNR, the officers and employees be temporarily permitted, if necessary, to continue to utilize office space that was previously allotted to them by the Department of Transportation (DOT) until such time that DLNR secures adequate office space for them; provided that this temporary use of DOT office space not extend beyond July 1, 1991.

Your Committees have further amended this bill to state that the findings of the Legislative Auditor's report of the Department of Land and Natural Resources' Division of Conservation and Resources Enforcement be included in the transfer plan and that the management team shall report its findings and recommendations to the Legislature prior to the convening of the 1991 regular session.

In addition, your Committees has appropriated \$200,000 for the purposes of this bill.

Your Committees on Ocean and Marine Resources and Transportation are in accord with the intent and purpose of H.B. No. 2265, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2265, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Fukunaga, Hashimoto, Hiraki, Honda, Isbell, Souki, Tajiri, Taniguchi, Yonamine, Hemmings, Marumoto and O'Kieffe.

SCRep. 267-90 Economic Development and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 3192

The purpose of this bill is to appropriate \$549,378 to establish and operate a center for tropical biotechnology research and training. The center would be operated jointly between the University of Hawaii and the Pacific International Center for High Technology Research (PICHTR).

Testimony in support of this bill was submitted by the University of Hawaii, PICHTR, and the Department of Business and Economic Development.

Your Committees have amended this bill to appropriate \$1.

Your Committees on Economic Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 3192, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3192, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 268-90 Economic Development and Hawaiian Affairs and Higher Education and the Arts on H.B. No. 2290

The purpose of this bill is to create the Hawaii Strategic Development Corporation to encourage and foster innovation and the development and application of high technology in industries in Hawaii. The Corporation will provide assistance, financial and otherwise, to enterprises at every stage of development from the development of an idea to the marketing of a product or service.

This bill is substantially the same as H.B. No. 9, which was passed by the Legislature in the 1989 Regular Session but was vetoed by the Governor for technical reasons. This bill incorporates changes made to correct the technical flaws of the previous bill.

Testimony in support of this bill was received from the Department of Business and Economic Development and the Department of Budget and Finance.

Your Committees have amended this bill by:

- (1) Deleting all references to the Corporation guaranteeing or otherwise insuring any enterprises, in order to avoid any suggestion of liability by the State for enterprises receiving assistance from the Corporation;
- (2) Deleting the power of the corporation to borrow money;
- (3) Deleting public utilities from the definition of enterprises qualifying for assistance under this Act; and
- (4) Inserting standards which must be met by any enterprise in order to qualify for grants from the Corporation.

Your Committees on Economic Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2290, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2290, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 269-90 Consumer Protection and Commerce on H.B. No. 2358

The purpose of this bill is to establish a second permanent condominium specialist position within the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs and the Real Estate Commission testified in support of this measure. The Department also requested that this position be exempt from chapters 76 and 77 in order that the position can be filled expeditiously with a properly qualified individual.

A representative of individual condominium owners expressed support for the work done by the Department in the condominium area.

The Hawaii Independent Condominium and Co-operative Owners HICCO) supported the bill noting that staffing for condominium matters in other states indicates the need for additional staff in Hawaii to fully implement Chapter 514A, Hawaii Revised Statutes. HICCO also expressed concern that governance issues, one of HICCO's major concerns, have still not been addressed and that they hoped that the second condominium specialist would help them in this area.

The Hawaii Association of Realtors also expressed support for the work done by the Department and for making the position of condominium specialist a permanent one. They feel that the condominium specialist position has resulted in improved communication between government and all parties involved in condominium matters.

Upon further review, your Committee has amended this bill to better express its support for the intent of this bill by removing the section which mandated the condominium specialist to assist the real estate commission in conducting any lottery for owner-occupied units. Your Committee added a sentence which mandates the second condominium specialist to assist the real estate commission with regards to the owner-occupied units.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 270-90 Consumer Protection and Commerce on H.B. No. 2938

The purpose of this bill is to amend section 237-23, Hawaii Revised Statutes, to clarify that the exemption from the general excise taxes granted to financial corporations applies only to the income earned from dealings in moneyed capital.

The Department of Taxation ("Department") testified in favor of this bill, stating testified that this bill would eliminate the ambiguity that currently exists in the statutes. Presently, the statutes provide that a financial corporation is subject to the franchise tax imposed by section 241-3, if it is exempted from the provisions of chapter 235 or chapter 237, or both. Therefore, if a corporation qualifies as a financial corporation, it will be taxable pursuant to the provisions of chapter 241. The Department went on to explain that although every entity taxed under chapter 241 is exempt from the payment

of the net income tax, not every entity taxed under chapter 241 is completely exempt from the payment of the general excise tax imposed by chapter 237.

The Tax Foundation of Hawaii ("Foundation") opposed this bill because they believed that more consideration should be given to the writing of the bill. The Foundation believed that this bill would perpetuate an error that appeared to have had a long history. Therefore, the Foundation suggested that the paragraphs relating to the "interest earned" in section 237-23 should be moved to section 237-24, along with the proposed exemption. The Foundation also stated that the term "moneyed capital" is a word of art insofar as the federal tax law is concerned and that no clear definition has been delineated.

Your Committee believes that this bill will allay the concerns raised by the Foundation because other financial institutions are listed in section 237-23.

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2938 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 271-90 Consumer Protection and Commerce and Planning, Energy and Environmental Protection on H.B. No. 2787

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the utilities which provide electric service to the general public to obtain lower interest rate bond financing for capital improvement projects, through the use of tax exempt special purpose revenue bond and refunding bonds.

Your Committees heard testimony in favor of this bill from the Hawaiian Electric Company, Inc. and its subsidiaries ("HECO"). HECO testified that the interest and principal payments on these bonds, as well as all other costs associated with them, are obligations of the utilities, the State has no obligations make any payments related to these bonds. Further, under the regulation of the State Public Utilities Commission, all of the savings from this less expensive form of financing will benefit the utilities consumers through lower electric rates. Therefore, the use by HECO of tax-exempt revenue bond proceeds to finance electric utility plant has the potential to benefit almost every person in the State. The proceeds of the sale of special purpose revenue bonds will be loaned to the utilities for the construction of capital improvements necessary to furnish electricity.

Your Committees amended the bill as suggested by HECO to reflect the language in the original proposal that was omitted in the bill, appropriating \$60,000,000 to Hawaiian Electric Company, Inc. (Oahu), and to amend the bill to add an expiration date to the issuance of special purpose revenue bonds. Your Committees have also made technical, nonsubstantive changes for purposes of style and clarity.

Your Committees on Consumer Protection and Commerce and Planning, Energy, and Environmental Protection are in accord with the intent and purpose of H.B. No. 2787, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2787, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Hemmings.

SCRep. 272-90 Agriculture and Health on H.B. No. 2644

The purpose of this bill is threefold:

1. To reduce the likelihood of the introduction of the rabies disease into this State by increasing the public's understanding of the disease through a rabies education program;
2. To improve the State's ability to detect an outbreak of rabies by establishing a statewide program to maintain and monitor the health of an unvaccinated dog and cat population; and
3. To conduct necessary research in preparation for implementing a modified quarantine system and to develop a more accurate account of the animal population within the State by conducting a one-year, statewide rabies research and planning study to collect baseline animal population and serological data.

Your Committees received voluminous testimony from the public. Among the testimony, the Department of Agriculture recommended the assistance of the Department of Health to assist the Department in vector control, epidemiology, and laboratory services. To provide this assistance, the Department recommended an appropriation of \$286,640.

Upon further consideration, your Committees have amended this bill as follows:

1. Deleted references to the animal quarantine task force's recommendations for a comprehensive and detailed multi-level approach in Section 1;
2. Removed references to a modified quarantine system by deleting, from the original bill, lines 17-19, page two; subsections (b) and (c), page three; line 22, page three; and lines 1-6, page four;
3. Inserted language in Section 4 of the amended bill to require that the Department forward its statewide rabies research and planning study to the World Health Organization for its review and comments;

4. Inserted an appropriation of \$286,640 in Section 5 of the amended bill for the statewide rabies research and planning study;
5. Inserted a new section 6 appropriating \$50,000 for the rabies education program; and
6. Made technical, non-substantive amendments to the bill for the purposes of style and clarity.

Your Committees on Agriculture and Health are in accord with the intent and purpose of H.B. No. 2644, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2644, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, M. Ige, Kanoho, Hemmings and O'Kieffe.

SCRep. 273-90 Agriculture on H.B. No. 3322

The purpose of this bill is to implement the recommendations of the interim task force created to study the State's animal quarantine system. This bill provides for the establishment of one full-time technician position and appropriates funds for equipment related to the position. Second, it appropriates \$247,231 for the conversion of eighteen temporary part-time animal quarantine caretaker I positions to full-time animal quarantine caretaker II positions. Finally, it appropriates funds for staff training and for diagnostic equipment.

Over the years, the animal quarantine program has suffered from shortcomings in staffing, personnel training, and equipment. The program has been burdened by the larger number of animals in the care of the facility and by the statutory restrictions that the facility be self-supporting. Accordingly, your Committee finds that the provisions of this bill will heighten the State's commitment to the provision of quality care at the animal quarantine facility.

The Department of Agriculture's testimony revealed that the conversion of the eighteen part-time animal quarantine caretaker positions is already provided for in the Executive's supplemental budget request. Therefore, your Committee in reporting out this measure, reminds the Committee on Finance of this duplication.

Your Committee further finds that the provision of one technician position is inadequate to assist the two veterinarians at the animal quarantine facility. For this reason, your Committee has amended Section 2 of this bill by appropriating: \$42,000 to establish the technician positions, and \$2,000 for position-related equipment.

Your Committee on Agriculture is in accord with the intent and purpose of H.B. No. 3322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3322, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 274-90 Higher Education and the Arts and Water and Land Use on H.B. No. 3229

The purpose of this bill is to appropriate moneys for the restoration and renovation of Hawaii Theatre.

Your Committees heard testimony from the State Foundation on Culture and the Arts, the Hawaii Theatre Center, the Honolulu Symphony, the Starving Artists Theatre Company and various individuals. The testimony heard by your Committees supported the intent of the bill to restore the historical theatre and make it available to performing groups for the benefit of Hawaii.

Your Committees on Higher Education and the Arts and Water and Land Use are in accord with the intent and purpose of H.B. No. 3229 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Andrews.

SCRep. 275-90 Water and Land Use and Intergovernmental Relations and International Affairs on H.B. No. 2275

The purpose of this bill is to preserve beach lands through acquisition of certain parcels by the State.

Testimony submitted by the Honolulu City and County Department of Parks and Recreation indicated that certain parcels listed in the bill were already owned by the City and County and therefore there was no need for the State to include these parcels in their beach acquisitions.

In consideration of the recommendations made by the Honolulu City and County Department of Parks and Recreation, your Committees have amended Section 2 of this bill. The numbered item 3. is amended by changing the word "parcel" to "parcels" and deleting the TMK number. The numbered item 4. is amended to delete the acquisition of Mauna Lahilahi Point, now owned by the City and County, and insert instead the acquisition of Sunset Beach Support Park at a cost of \$1,600,000 and Kaunala Beach Park at a cost of \$900,000.

For the purposes of consistency, your Committees have also amended the bill by deleting references to TMK numbers.

Your Committees on Water and Land Use and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 276-90 Water and Land Use on H.B. No. 2409

The purpose of this bill is to make an appropriation for the study of fresh water emitted from lava tubes on the islands of Hawaii and Maui.

Lava tubes are an unusual natural phenomenon. The fact that they emit fresh water may make them of use to the State's growing population. However, your Committee understands that these lava tubes are an environment within themselves, and that native fauna are uniquely adapted to live in this environment. Therefore, in the search for vital water resources, your Committee recognizes that consideration must be given to the environmental impacts of this resource study and development.

Your Committee has amended this bill to provide for the study of native fauna while the study of the water resource takes place, and to minimize the environmental impacts of intercepting the fresh water flows. Minor editing changes have been made as well.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 277-90 Agriculture and Judiciary on H.B. No. 2878

The main purpose of this bill is to provide a new meat inspection service on exotic animal species. The bill also clarifies certain other provisions and strengthens the enforcement provisions of the Hawaii meat inspection law. Under this bill, there would be:

- (1) A new exotic and game meat reimbursable inspection service provided on request, and a self-supporting exotic animal inspection revolving fund to handle the receipts and disbursements;
- (2) An end to "grandfathered" rights when businesses operating under the "grandfather clause" transfer or sell their enterprise;
- (3) A stiffer penalty for violations of the meat inspection law, including the penalty for bribery;
- (4) A liberalization of the meat inspection exemptions for:
 - (a) Custom preparation services holding a registration permit for the exempt operations; and
 - (b) Retail stores and restaurants, provided they offer for sale only meat that has been inspected and passed; and
- (5) A requirement for payment to the State for any overtime inspection services provided for meat inspection over the normal work hours and holidays.

Testimony from the Department of Agriculture and the Castle and Cooke Land Company indicated that:

- (1) Raising of exotic animals is recognized as an agricultural enterprise;
- (2) Marketing of meat from game animals may become a viable agricultural industry in Hawaii as it is in Texas and New Zealand (Castle and Cooke Company through Hawaii Wild Game, Inc., markets venison harvested on Lanai); and
- (3) Inspecting of exotic meat builds consumer confidence in the safety of the products.

Your Committees on Agriculture and Judiciary are in accord with the intent and purpose of H.B. No. 2878 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 278-90 Human Services on H.B. No. 2512

The purpose of this bill is to reduce inmate frustration, improve institutional management, reduce litigation and appeals to the Ombudsman, provide more credibility and effectiveness, and improve staff/inmate relations and communications. Funds are to be appropriated for a department-level grievance officer and a grievance coordinator at each institution, and for a comprehensive grievance process training program.

Your Committee expressed concern with Section 1.(1) of the bill, in that your Committee feels that the bill should clearly specify one official to whom the grievance officer should report.

Your Committee further noted that the amount to be appropriated (Section 2.) was not known at the time of the hearing.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2512, with the concerns noted herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2512, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 279-90 Human Services on H.B. No. 2354

The purpose of this bill is to provide the Director of Corrections (Director) with the authority to furlough or parole any child committed to his custody regardless of length of commitment.

Your Committee received testimony in support of the bill from the Department of Corrections and the Office of the Public Defender, State of Hawaii. The Office of the Public Defender indicated that this bill will have the positive effect of providing children who are deemed by the Director to be eligible for furlough or parole with timely access to rehabilitative programs when placement opportunities are available.

Your Committee received testimony against the bill from the Prosecuting Attorney of the City and County of Honolulu.

Your Committee has amended the bill to incorporate the Prosecuting Attorney's request that the Director give the county prosecutors thirty-day notice of an intended discharge.

Your Committee finds that the current law provides safeguards to assure that parole or furlough is only granted in appropriate circumstances where it appears to the Director that there is a reasonable probability that the child will not violate the law and that the child's release is not incompatible with the welfare and safety of society.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2354, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 280-90 Human Services on H.B. No. 2546

The purpose of this bill is to amend Chapter 329, Hawaii Revised Statutes, to regulate the sale and transfer of precursors and essential chemicals used in the manufacturing of methamphetamine.

Your Committee received favorable testimony on this bill from the Honolulu Police Department, The Department of the Prosecuting Attorney of the City and County of Honolulu, and the Department of Corrections.

Your Committee expressed concern that the mechanism for reporting and enforcement were not fully specified.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2546 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 281-90 Human Services on H.B. No. 2747

The purpose of this bill is to amend Section 346-17.4, Hawaii Revised Statutes, to allow foster board payments to continue for eligible foster children who are continuing their higher education at an accredited institution of higher learning which is outside the State.

Your Committee received testimony in support of this bill from the Office of Children and Youth, and the Department of Human Services (Department).

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Allowed foster board allowances for eligible foster children attending out-of-state accredited institutions of higher learning to be paid to a designee approved by the Department;
- (2) Allowed foster board allowances for students attending an accredited institution of higher learning within the State to be paid to the student's foster parents or a designee approved by the Department;
- (3) Allowed for reimbursement of a former child's maintenance cost retroactive to the child's entry into an accredited institution of higher learning on a full-time basis;

- (4) Provided that the Department's standards relating to income resources of the foster child shall be applicable; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2747, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 282-90 Human Services on H.B. No. 2581

The purpose of this bill is to establish the Youth Service Corps pilot project to involve youth in the process of making direct contributions to the welfare of their own communities through volunteer service.

Your Committee received testimony in support of this bill from the Coalition for National Service, the Honolulu Community Action Program, and a private citizen working in the youth services area.

The Office of Children and Youth, while testifying in support of the intent of the bill, recommended that the target group for the project be changed to include eleven through fourteen year old children.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Recommended that project programs be aimed at individuals from twelve through twenty-four years of age;
- (2) Emphasized that the project develop special focus on youths who are "at risk"; and
- (3) Designated the Office of Youth Services as the expending agency of the appropriated sum.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2581, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 283-90 Human Services on H.B. No. 3236 (Majority)

The purpose of this bill is to create a self-esteem task force to identify ways in which people's self-esteem can be raised, and to identify ways in which parents, schools, and society in general can help promote children's self-esteem.

Your Committee received testimony in support of this bill from the Office of Children and Youth; the Departments of Human Services, Health, Corrections, and Education; and several private citizens.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Extended the life of the task force for an additional two years;
- (2) Required that the task force submit annual status reports and a final report to the Legislature;
- (3) Deleted reference to "self-made poor" in the purpose clause; and
- (4) Appropriated \$75,000 for task force work and activities.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3236, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 284-90 Human Services on H.B. No. 3254

The purpose of this bill is to amend Section 359-121, Hawaii Revised Statutes, to increase the maximum payment amount for rent supplements under the State rental supplement program.

This bill also amends Section 359-123, Hawaii Revised Statutes, to allow persons receiving federal supplemental security income (SSI) or public benefits to receive rent supplements.

Your Committee received testimony in support of the intent of the bill from the Executive Office on Aging, the Elderly Affairs Division of City and County of Honolulu, the Affordable Housing Alliance, the Kokua Council for Senior Citizens, the Hawaii Centers for Independent Living, and the Commission on Persons with Disabilities.

The Hawaii Housing Authority, while testifying in support of the intent of the bill, indicated that an appropriation of \$5,800,000 would be required if public assistance recipients and SSI recipients were allowed to qualify for rental supplements. Accordingly, the Hawaii Housing Authority recommended expansion of the rental supplement program to SSI recipients only.

Additionally, the Hawaii Housing Authority testified against increasing the maximum monthly rental supplement payment set by Section 359-121. The present maximum of \$160 was recently implemented. Another increase in the maximum payment in addition to expansion to SSI recipients would necessitate a tremendous increase in funding.

Finally, the Hawaii Housing Authority recommended deletion of the provision which prohibits rental supplement contracts from providing for payments for a period exceeding forty years.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Limited expansion of the rental supplement program to SSI recipients only;
- (2) Maintained the present maximum monthly rental supplement payment amount of \$160;
- (3) Deleted the provision which prohibits rental supplement contracts from providing for payments for a period exceeding forty years; and
- (4) Increased the appropriation amount to \$300,000.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3254, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 285-90 Human Services on H.B. No. 3458

The purpose of this Act is to insure the continuation and development of conferences such as the Sariling Gawa Youth Conference to enhance the development and involvement of Filipino youths in the State of Hawaii.

Testimony in support of the intent of this measure was received from the Governor's Office of Children and Youth, the Children's House Foundation, the Department of Human Services, and seven private citizens, one of which is a University of Hawaii programming officer.

The testimonials illustrated to your Committee the value, need, and importance of an ethnic minority statewide youth conference by giving your Committee the track record of the Sariling Gawa Filipino Youth Conference, personal experiences of conference participants, and testimonies of community supporters. Emphasis was given to the social and economic situation of the Filipino youths, the need for a forum for youths to voice their concerns, and the importance of youth community involvement.

Based on the foregoing testimonies, your Committee has amended the bill as follows:

- 1) Emphasized that the conference must focus on immigrant youths and youths at risk, providing them with as many positive alternatives as possible;
- 2) Emphasized that in addition to focusing on those who excel in academics, the conference shall reach out to immigrant youths to assist them in rapid and smooth acculturation into the Hawaiian and American societies and provide youths at risk with avenues of productive growth;
- 3) Designated the Office of Youth Services as the expending agency for the sum appropriated.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3458, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 286-90 Human Services on H.B. No. 3264

The purpose of this bill is to amend the reimbursement base for Medicaid individual providers by using the customary fees in calculation of health care payments.

Your Committee finds that this measure will provide equity in reimbursement to individual providers and assist those providers on the low end of the reimbursement scale to be paid in parity with their colleagues.

Your Committee has amended this measure based on the recommendation of the Department of Human Services to appropriate funds to amend the reimbursement base. Without these funds the Department will not be fulfill the purpose of this measure.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3264, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 287-90 Human Services on H.B. No. 2353 (Majority)

The purpose of this bill is to amend Section 352-2.1, Hawaii Revised Statutes, to clarify that the primary purpose of the Hawaii youth correctional facilities is to provide institutional care and services which will prepare committed juveniles for reintegration into society.

Your Committee received testimony in support of this measure from the Department of Corrections, the Office of the Public Defender of the State of Hawaii, and the John Howard Association of Hawaii.

The Office of the Public Defender indicated that children committed to the youth correctional facilities have been determined by statute or judicial decision not to warrant prosecution and sentencing as an adult. Because these children will be released into the community no later than age nineteen, every reasonable effort must be made to give them the rehabilitative and therapeutic services they require for reintegration into the community. By removing language which states that "incarceration and punishment" is part of the facilities' purpose, the bill clarifies that the facilities' primary mission is to rehabilitate and reintegrate.

Your Committee received testimony against the bill from the Prosecuting Attorney of the City and County of Honolulu who stressed that juveniles convicted of committing crimes must be incarcerated and punished for the sake of public safety. The Prosecuting Attorney also emphasized that children are deterred from committing crimes by the threat of punishment and incarceration.

Based on the foregoing testimony, your Committee has amended the bill by clarifying that the director of the youth correctional facilities shall provide institutional care and therapeutic services to facilitate the reintegration process, in addition to providing secure custody and punishment.

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

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2353, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 288-90 Labor and Public Employment on H.B. No. 2433

The purpose of this bill is to reduce the number of hours worked per week from 20 to 15 weeks before part-time employees can be eligible for collective bargaining representation.

Your Committee finds that the provisions in Section 89-6, Hawaii Revised Statutes, which excludes part-time employees who work fewer than 20 hours per week from being included in an appropriate bargaining unit, has its origin in a rule that the National Labor Relations Board (NLRB) utilized in arriving at bargaining unit determinations under the National Labor Relations Act (NLRA) in the private sector.

However, since 1969 the NLRB began abandoning this rule that part-timers who will not be in a bargaining unit are those who work fewer than 20 hours per week. In May Department Stores Co., 175 NLRB 514, 517 (1969), Leaders Nanuski, Inc., 237 NLRB 1269 (1978), and other cases before the NLRB, the NLRB found that employees who work an average of four hours per week have a sufficient community of interest to be included in a bargaining unit.

Your Committee finds that the practice of hiring employees who work nineteen hours or fewer is pervasive throughout the State and its political subdivisions. In many instances, part-time employees who perform the same duties as full-time employees receive substandard wages and benefits because they work fewer than 20 hours per week.

Your Committee believes that this measure will prevent further unfair treatment to part-time employees, allow them to be included in appropriate bargaining units, and enable them to enjoy all of the rights and privileges provided under Chapter 89, Hawaii Revised Statutes.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2433 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 289-90 Labor and Public Employment on H.B. No. 2017

The purpose of this bill is to amend the supplemental plan to federal medicare provision to require the contribution for voluntary medical insurance coverage under federal medicare to be paid in full by the Public Employees Health Fund.

Your Committee further finds the Board of Trustees to be authorized by this act to pay the full amount of Medicare Part B medical premium reimbursements immediately or whenever such premiums change on January 1 of each year.

Your Committee received testimony from the Hawaii Public Employees Health Fund.

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. 2017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2017, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 290-90 Labor and Public Employment on H.B. No. 2740

The purpose of this bill is to allow an individual to maintain a separate cause of action for intentional infliction of emotional distress, invasion of privacy, wrongful termination, or negligence, in addition to the remedies available under Hawaii's discriminatory practices law.

Your Committee deplors discriminatory practices in the State and finds that it is necessary to restore the right to pursue legal remedies to victims of discrimination. Sometimes the threat of punitive or compensatory damages is necessary to make employers take notice of discriminatory practices in the workplace.

The term "wrongful discharge" has been substituted for "wrongful termination". Your Committee finds that the term "wrongful discharge" is more precise and the Hawaii Supreme Court has defined a citizen's right to sue for wrongful discharge in Parnar v. Americana Hotels, Inc., 65 Haw. 370, 652 P.2d 625 (1982).

Your Committee has also amended the time limit in Section 378-4(c) for filing a discrimination complaint from ninety days to one hundred eight days. Since this Section 378-4(c) will be repealed on January 1, 1991 and a similar provision is already found in Section 368-11(c), your Committee has deleted section 2 of the bill.

In addition, the effective date of the bill has been amended to take effect upon approval

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2740, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 291-90 Human Services on H.B. No. 3234

The purpose of this bill is to improve and enhance the availability of services and information to the elderly and caregivers, especially the non-english speaking, thru the appropriation of funds for the hiring of staff for a multilingual access line and for education activities to prepare the public for the use of this access line.

Your Committee received favorable testimony on this measure from The Elderly Affairs Division of the Office of Human Resources, City and County of Honolulu, and the Executive Office on Aging, Office of the Governor.

Your Committee finds there is a great and growing need for information by both the elderly and the general public on aging-related information and long-term care concerns and options. This need can reach critical proportions for families who are not proficient in the english language.

Your Committee expressed concern, however, that the proposed system be tied in to existing county-wide information and referral systems, perhaps utilizing similar computer hardware, but retaining the human element so that an elder in need will be able to speak with a person. To this end, your Committee feels strongly that the Executive Office on Aging should hold responsibility for overseeing implementation and coordination with the counties.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3234 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 292-90 Human Services on H.B. No. 3039

The purpose of this bill is to maintain current levels of services to assist refugee immigrants in employment and social integration.

Your Committee received testimony favorable to this measure from the Department of Labor and Industrial Relations, Catholic Charities, Child and Family Service, The Inter-Agency Council for Immigrant Services, Zippy's Restaurants, and 16 private citizens.

Your Committee finds that current services for immigrants are not adequate to serve the needs of refugees, who generally suffer the effects of post traumatic stress disorder as well as language barriers and cultural shock. Where specialized services have been provided this population, the benefits are immediately visible in terms of reduced dependency on public assistance and increased tax contributions. Further, the state's labor shortage can be relieved with a well-prepared and motivated alternative workforce.

Your Committee has amended the bill by inserting a provision whereby funds expended in purchase of these services will be reimbursed to the state treasury in the amount that the provider receives federal funding for the same services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3039, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 293-90 Human Services on H.B. No. 2908

The purpose of this bill is to maintain recipients of personal care services safely and adequately in the home setting by raising the expenditure ceiling for the program as set by Section 346-64, subsection (c), Hawaii Revised Statutes.

Your Committee received testimony favorable to this measure from the Department of Human Services and the State Commission on Persons with Disabilities.

Your Committee finds that while it is preferable in terms of state expenditures and personal satisfaction to maintain patients in home care where possible, costs have risen so that retention of the present expenditure ceiling limits services and jeopardizes the safety of those who choose to remain at home. This measure would correct that condition and further allow for changing recipients budgets to annual budgets to conform with federal regulations.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2908 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 294-90 Human Services on H.B. No. 2760

The purpose of this bill is to prepare for the transfer of the Hawaii Youth Correctional Facility to the Office of Youth Services. The bill offers home-based services that will enhance the ability of the Office of Youth Services to carry out its mandate.

Your Committee finds that as the new Office of Youth Services develops its comprehensive plan for a continuum of care new strategies regarding home-based services and other placement, preventive, and family strengthening strategies will be needed.

Your Committee received favorable testimony on this measure from the Department of Human Services, the Department of Health, and the Institute for Family Enrichment.

Your Committee has amended the bill by reducing the appropriation from \$300,000 to \$200,000.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2760, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 295-90 Human Services on H.B. No. 2726

The purpose of this bill is to expand current services to the culturally alienated, non-English speaking, and low-income immigrant residents in the area of East Oahu.

Your Committee received favorable testimony for this measure from the Department of Human Services, the Mutual Assistance Associations Center, and private citizens.

Your Committee finds that current services helping immigrants adjust to the mainstream of American life are suffering from reductions in Federal funds. Your Committee further finds that these services are worthy of the support of the state.

Your Committee has amended the bill to have the expending agency be the Department of Labor and Industrial Relations, rather than the Department of Human Services.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2726, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 296-90 Higher Education and the Arts on H.B. No. 3349

The purpose of this bill is to amend Act 316, Session Laws of 1989, relating to appropriations for the Honolulu Symphony Trust, by changing the effective dates of release of appropriations and requiring matching funds by the symphony.

Your Committee heard testimony in support of this bill by the Department of Accounting and General Services and the Honolulu Symphony.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3349 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 297-90 Higher Education and the Arts on H.B. No. 2271

The purpose of this bill is to appropriate funds for a weekly documentary television series on the family to be produced by Hawaii Public Broadcasting Authority.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs in support of the intent of this bill.

Your Committee has amended this bill by leaving the amount of the appropriation open and stipulating that the funds shall be appropriated to the Hawaii Public Broadcasting revolving fund.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2271, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 298-90 Higher Education and the Arts on H.B. No. 3434

The purpose of this bill is to make an appropriation to commission a statue of Mother Marianne Cope to celebrate her life accomplishments and the enduring qualities of her personality which have established her as one of Hawaii's finest role models for our young people.

Your Committee heard testimony in support of this bill from the State Foundation on Culture and the Arts and the Sisters of Saint Francis. The Sisters of Saint Francis, in their testimony before your Committee, requested the commissioning of the statue as a positive action to preserve in the hearts of our young people the memory of Mother Marianne Cope and her selfless devotion to the well-being of the people of Hawaii, especially those condemned to isolation in the leper colony at Kalaupapa, Molokai.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 3434 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Stegmaier.

SCRep. 299-90 Higher Education and the Arts and Judiciary on H.B. No. 2721

The purpose of this bill, as received by your Committees, is to establish within the Department of Accounting and General Services for administrative purposes only, a sports arena authority whose responsibility shall be to maintain, operate, and manage a state-run sports arena located on the campus of the University of Hawaii at Manoa.

Testimony received from the University of Hawaii at Manoa did not support the measure. It stated that the University already has the administrative capability of maintaining, operating and managing a sports arena. The University contends that the establishment of a sports authority could increase costs to the public, duplicate administrative services, and reduce student services to those currently enrolled at the University.

Despite these claims, your Committees were deeply concerned about making such a large expenditure of public funds solely for the construction of a facility that did not comply with the University's master plan and was 37th on a list of Board of Regents' priorities. Moreover, the funding was subsequently provided for only 3 of the previous 36 items. Your Committees were also concerned that comments by the University did not include any plan or plans for general public use of the envisioned facility.

Your Committees find, however, that the inclusion of the University's sports arena under the direction of a sports authority would not accomplish the end of making this facility more accessible to use by the general public for non-University functions. Rather it may be more efficient to mandate this policy by law.

Your Committees have, therefore, amended this bill by:

- (1) Deleting the provisions relating to the establishment of a sports arena authority;
- (2) Requiring that the University adopt rules pursuant to Chapter 91 to ensure public use and access to the sports arena; and
- (3) Appropriating \$1,800,000 for the plan and design of the sports arena.

Your Committees have acknowledged that additional funding will be needed to complete the construction of the sports arena and encourages the University to also solicit funding from private sources in the community.

Your Committees on Higher Education and the Arts and Judiciary are in accord with the intent and purpose of H.B. No. 2721, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2721, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 300-90 Higher Education and the Arts on H.B. No. 2775

The purpose of this bill is to appropriate funds for the research of environmental factors which predispose taro to soft and hard rot.

The taro industry is important to diversified agriculture, but soft and hard rot of taro is making it difficult for taro growers to maintain current crops. The increasing demand for Samoan and Chinese taro both locally and on the mainland, requires an immediate solution to the taro rot problem.

The development of disease control for these two rots will ensure the success and growth of the taro industry.

Your Committee received testimony in favor of the bill from the University of Hawaii's Dean of the College of Tropical Agriculture and Human Resources and a representative of the Kauai Taro Growers Association.

Your Committee has amended the bill by excluding the \$300,000 appropriation, and instead has left the amount blank for further consideration by the Finance Committee.

Your Committee on Higher Education and the Arts is in accord with the intent and purpose of H.B. No. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2775, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 301-90 Economic Development and hawaiian Affairs and Higher Education and the Arts on H.B. No. 2288

The purpose of this bill is to assist fledgling software companies in Hawaii and encourage the growth of new software companies to create a strong software industry in the State. This bill creates a Hawaii Software Service Center within the High Technology Development Corporation to accomplish this goal. The bill also amends Chapter 103 of the Hawaii Revised Statutes (HRS) to require governmental agencies to set aside at least twenty-five percent of their annual software development expenditures to go to Hawaii software firms. Finally, the bill appropriates funds to start the Software Center, and also appropriates \$2 million dollars to the University of Hawaii Office of Technology Transfer and Economic Development to be awarded on a competitive basis to support software development programs within the University of Hawaii.

As computers grow more powerful and more pervasive in every aspect of life throughout the world, the need for more and better software is rapidly growing. Software development is an ideal industry for Hawaii, having minimal impact on the environment and using few resources while offering challenging and rewarding jobs in highly sophisticated fields. Promotion of the software industry is a priority of the Legislature of Hawaii.

Your Committees received testimony in support of the intent of this bill from the Department of Budget and Finance, the University of Hawaii, the High Technology Development Corporation, and many software firms in Hawaii.

The Hawaii Software Service Center will assist the software industry in Hawaii by providing them valuable market information which would be prohibitively expensive for any one small company to obtain. It will also assist in marketing the products of Hawaii software firms, and will be an advocate of the software industry in promoting coordination of public and private efforts to support the growth of the industry.

Your Committees have amended this bill by:

- (1) Authorizing the High Technology Development Corporation (HTDC) to copyright software applications and programs developed for state use and to license their sale and distribution, subject to the terms of the licensing agreement between HTDC and the state agency. The copyright will belong to the State of Hawaii, and all revenues derived shall be deposited into the general fund unless otherwise stipulated in the licensing agreement.

- (2) Amending Section 3, the proposed HRS Chapter 103 set-aside section, to direct the Comptroller, the Director of Finance, and the President of the University of Hawaii to adopt rules for the set-aside, to exclude projects receiving any federal funds, to define Hawaii software development businesses, and to provide that Hawaii software development businesses receiving a contract under this chapter may form an agreement with an out-of-state firm for up to fifty percent of the value of the contract. This will enable Hawaii companies to gain experience with large contracts and will attract out-of-state companies to Hawaii.
- (3) Appropriating the \$2 million for University of Hawaii software development to the Discoveries and Inventions Revolving Fund, with the Department of Business and Economic Development as the expending agency, to require the University to submit a software development and marketing plan before any funds may be expended.

Your Committees have also made technical nonsubstantive amendments for purposes of style and clarity.

Your Committees on Economic Development and Hawaiian Affairs and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2288, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2288, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kanoho and Hemmings.

SCRep. 302-90 Economic Development and Hawaiian Affairs on H.B. No. 2289

The purpose of this bill is to continue development of the Hawaii area-wide information access network (HAWIAN) begun by the Legislature in 1988. This bill appropriates \$2,000,000 to be distributed among state agencies to assist their efforts to become information providers on HAWIAN. In addition, the bill appropriates an unspecified sum for the creation of a HAWIAN masterplan and implementation timetable incorporating all branches of Hawaii state government.

The implementation of HAWIAN will be one of the most exciting developments in Hawaii in this decade. It will rank Hawaii among the world leaders in telecommunications applications, and will enhance both the availability of information and services to citizens and the market for the information industry in Hawaii.

Testimony in support of this bill was received from the State Judiciary, the University of Hawaii, the High Technology Development Corporation, and the Department of Budget and Finance (B & F).

Your Committee has made the following amendments to the bill:

- (1) Provided that no funds shall be expended until B & F completes a development plan for HAWIAN which identifies the types of information services in high demand and details methods by which the subscriber base can be expanded;
- (2) Requested that B & F prepare an operational plan for HAWIAN describing future staffing and funding requirements to operate HAWIAN and explaining how the department intends to administer the network; and
- (3) Clarified differences between HAWIAN and information services.

In addition, technical, nonsubstantive amendments were made for purposes of style and clarity.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2289, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 303-90 Economic Development and Hawaiian Affairs on H.B. No. 2918

The purpose of this bill is to establish a program to provide financial assistance through loans and grants for the establishment and development of traditional enterprises and small-scale community-based enterprises in the State. It adds a new section to the Hawaii Revised Statutes creating a community-based development advisory council and revolving fund to make loans and grants to small-scale community-based enterprises. The measure also appropriates \$2 million to the fund.

Small-scale community-based enterprises are an important element in strengthening and diversifying the economy of the State. They provide meaningful and rewarding work which is sensitive to the culture and lifestyle of different communities. Such enterprises not only provide jobs for the community, they also strengthen the social ties that bind communities together and make them strong.

Your Committee received considerable testimony in unanimous support of this bill. Testimony was received from the Department of Business and Economic Development, Alu Like, Waianae Coast Community Alternative Development Corporation, Hina-Malailena, Hui Ulu Mea Ai, and various individuals.

The purpose of this fund is, in part, to make loans to projects that would not qualify, by reason of their small scale, for other economic development loan programs of the State. Your Committee is also supportive of the rationale that the success of small-scale community-based enterprises should not be judged solely on their ability to turn a profit, since such enterprises also offer benefits that cannot be measured simply by the financial balance sheet of the enterprise. However,

your Committee does feel that some clear method of evaluation of the success of enterprises supported by this program is necessary in order to determine whether this program is successful. It is also felt that the discipline of demonstrating valuable and efficient use of resources is an important factor in the success of any enterprise. And your Committee notes that loans can be made under this chapter on terms as easy as three percent simple interest for twenty years with a two-year deferral on the beginning of repayment. Therefore, your Committee desires that preference be given to making loans rather than simply giving grants under this program.

This bill has been amended by:

- (1) Providing that no funds shall be expended until the Department of Business and Economic Development develops a clear policy to determine when to provide loans and when to provide grants;
- (2) Setting a \$500,000 cap on grant awards;
- (3) Providing that appropriations for the fund shall be only for the purpose of making loans except when funds are specifically authorized for grants;
- (4) Deleting "enterprise" from the program title and adding "business and" to references to "enterprise" throughout the bill;
- (5) Deleting the Director of Labor and Industrial Relations from the advisory council and inserting the Chairperson of the Board of Agriculture; and
- (6) Requiring an annual report of the operation of the fund.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2918, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 304-90 Economic Development and Hawaiian Affairs on H.B. No. 2287, HD 1

The purpose of this bill is to appropriate \$3 million to the Department of Business and Economic Development to define the requirements for a major financial services facility and to provide start-up funds to attract and locate exchanges in Honolulu on an interim basis.

Establishment of a financial services industry in Hawaii will provide significant diversification of our economic base, bring additional capital into the State, and create new areas of rewarding employment in our State and new business for our telecommunications providers. The Legislature has previously indicated its desire to attract financial service providers. This bill reinforces the efforts of the State to attract the industry to Hawaii.

Testimony in support of this bill was received from DBED and the Economic Development Corporation of Honolulu.

Your Committee has amended this bill by:

- (1) Replacing the phrase "stock exchange" with "securities exchange" in the bill to clarify the goal of the bill; and
- (2) Providing that no funds shall be expended for facilities or equipment until the consultants develop a workable business operational plan which provides a structure for joint use of common computer equipment and which identifies primary financial products to be traded on the exchange to ensure its success.

Technical, nonsubstantive changes have been made for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2287, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 305-90 Economic Development and Hawaiian Affairs on H.B. No. 3321

The purpose of this bill is to establish an economic development inducement fund to provide incentives to attract new businesses to Hawaii and to retain existing businesses within the State.

The creation of this fund will provide the Department of Business and Economic Development the flexibility to respond to opportunities in a timely fashion.

Your Committee has amended this bill to:

- (1) Require that incentives offered businesses to relocate an operation to Hawaii shall be based on an analysis that resulting tax revenues and employment benefits exceed the State incentive package within an appropriate period of time and shall be offered only when significant private sector contribution is also forthcoming;

- (2) Appropriate \$100,000 for the operational costs of the fund and \$100,000 to be deposited into the fund itself; and
- (3) Delete a provision allowing the board of governors to transfer funds from the inducement fund into the general fund.

Technical, nonsubstantive amendments have also been made for purposes of style and clarity.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3321, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 306-90 Economic Development and Hawaiian Affairs on H.B. No. 2896

The purpose of this bill is to clarify which lands make up the public land trust for native Hawaiians and the general public and which revenues derived from those lands will be used in figuring the income and proceeds to be transferred to the Office of Hawaiian Affairs (OHA) to be used for the betterment of native Hawaiians. The bill also appropriates funds to carry out the purposes of this measure, including an appropriation of \$7.2 million to OHA for the betterment of native Hawaiians.

This bill is the first step in the resolution of a series of complex questions about what constitutes the extent of the trust holdings and the trust obligations of the State to the native Hawaiians. By amending Chapter 10, Hawaii Revised Statutes, governing the Office of Hawaiian Affairs, to provide a clear definition of "public land trust" and "revenues", the bill should resolve this issue for the future. In doing so, this measure will enable the State to fulfill its trust obligations to the Hawaiians and will signal a new era for the native Hawaiian community.

The Office of Hawaiian Affairs was established by the Legislature pursuant to a State constitutional amendment proposed by the 1978 Constitutional Convention and ratified by the people of Hawaii. OHA was charged to be the principal public agency in the State responsible for programs and activities relating to native Hawaiians and Hawaiians. Your Committee is confident that with the confusion over its funding cleared up, OHA will be able to significantly increase its efforts for the betterment of native Hawaiians and Hawaiians. Your Committee hopes that OHA will work closely with the Department of Hawaiian Home Lands to provide a balanced and comprehensive program of assistance to native Hawaiians and Hawaiians.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, the Office of State Planning, and many Hawaiian organizations and individuals.

Technical, nonsubstantive amendments have been made for purposes of style and clarity.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2896, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2896, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Hemmings.

SCRep. 307-90 Labor and Public Employment and Legislative Management on H.B. No. 2355

The purpose of this bill is to conduct a job evaluation study that will:

- (1) Determine whether pay inequity exists among nonsupervisory blue collar and institutional, health, and correctional worker civil service employees that are dominated by one sex;
- (2) Determine what factors or conditions contribute to the inequity if it exists; and
- (3) Determine what changes in law or practice could optimally achieve fairness in job evaluation.

Your Committees received testimony from the Department of Personnel Services, the United Public Workers, and the Hawaii State Commission on the Status of Women.

Your Committees find that women in Hawaii's labor force continue to face concerns and inequities, including the following:

- (1) 67 percent of women working outside the home are concentrated in service, retail, and wholesale industry jobs;
- (2) 52 percent are concentrated in administrative support and service;
- (3) In all industries, men's median incomes exceed women's; and
- (4) The median annual income for women is still only 65 percent of that for men.

Act 157, Session Laws of Hawaii 1986, was passed to conduct a more comprehensive comparable worth study in the State. As a result of this study, inequities were found and the Legislature was able to take action to address many of these inequities.

Accordingly, your Committees find that an updated study is needed to further evaluate whether inequities exist for nonsupervisory blue collar and institutional, health, and correctional state and county employees. The results of this job evaluation study will enable the Legislature to determine whether corrective action becomes appropriate.

Your Committees on Labor and Public Employment and Legislative Management are in accord with the intent and purpose of H.B. No. 2355 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Tajiri and Hemmings.

SCRep. 308-90 Labor and Public Employment on H.B. No. 3212

The purpose of this bill is to clarify that the State Housing Finance and Development Corporation and eligible bidders and eligible developers of projects developed under chapter 201E are subject to the provisions of section 104-2.

The Housing Finance and Development Corporation (HFDC) testified that they already comply with the prevailing wage requirements "whenever State CIP funds are utilized, whenever the HFDC acts as the developer, or whenever [they] go out to bid." However, representatives from the Hawaii Construction Industry Association, the Plumbing and Mechanical Contractors Association of Hawaii and the Hawaii Carpenters Market Recovery Program, and members of the Hawaii Carpenters Union testified in favor of this bill, citing the need to make clear that prevailing wages shall be paid to employees of projects developed under chapter 201E, whether or not HFDC was the developer. The Department of Labor and Industrial Relations noted the need for additional funds for personnel and related costs to provide effective and efficient enforcement of chapter 104.

HFDC further testified that passage of this measure would increase the cost of housing units. Your Committee recognizes the significant need for affordable housing for the residents of this State. The Legislature has taken significant steps in addressing this need, and HFDC plays a critical role in providing quality, affordable houses. However, your Committee feels that the State's attempt to attack the problem of affordable housing should not be at the expense of lowering basic standards for working people involved in the construction of these houses. Furthermore, HFDC already has authority to institute cost-saving measures through provision of other incentives and financial assistance.

Section 104-2 is based on the federal Davis-Bacon Act to ensure that contractors who bid on public work projects will pay their employees the prevailing wages and benefits of the area to protect local area contractors from outside contractors taking advantage of cheap, imported labor. Your Committee finds that the same principle applies when a housing project is developed under chapter 201E, whether developed directly by HFDC or indirectly through financial assistance, tax breaks, land acquisition, and other incentives provided by HFDC.

Upon further consideration, your Committee has amended the bill by:

- (1) Adding a new section to specify that section 104-2 applies only to those employees who actually work on the particular housing project developed under chapter 201E and not to all employees of the eligible bidder or eligible developer; and
- (2) Exempting those 201E projects developed by a private nonprofit corporation, if the entire cost of the project is less than \$200,000.

Your Committee believes that this bill will ensure fair competition, as well as the payment of prevailing wage and benefit rates to employees on any projects developed under chapter 201E.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3212, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 309-90 Planning, Energy and Environmental Protection on H.B. No. 3271

The purpose of this bill is to provide the coordinators of Earth Day with an appropriation for environmental education.

Your Committee finds that an informed public is one of the best deterrents to environmental degradation. By raising the awareness of the public on environmental issues, there may be a subsequent change in behavior patterns. Environmental education, administered through such projects as Earth Day, is an efficient method of disseminating information on local and global environmental issues.

Your Committee has amended this measure by reducing the amount of the appropriation and deleting the Hawaii Nature Center as a recipient of funding.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3271, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 310-90 Planning, Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 2208

The purpose of this bill is to provide funds to strengthen the technical staffing capabilities of the Hawaii Natural Energy Institute's alternative transportation program. This program is undertaking the development of electric vehicle transportation.

Based on the recommendations of the School of Ocean and Earth Science and Technology of the University of Hawaii, your Committees have amended this measure to appropriate \$76,000 in matching funds.

In addition, the bill has been amended to specify that the funds are to be deposited into the University's Discoveries and Inventions Revolving Fund for the purchase of four G-van electric vehicles; provided that the United States Department of Energy provides matching funds.

Your Committees on Planning, Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2208, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2208, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 311-90 Planning, Energy and Environmental Protection on H.B. No. 2751

The purpose of this bill is to establish an underground storage tank cleanup revolving fund to be financed through a one cent per gallon tax on sales of petroleum. The purpose of the fund is to provide loans at low or no interest to small business operators to finance the initial costs of cleaning up a release of petroleum from an underground storage tank. The fund may also be utilized to finance state initiated cleanup actions.

Your Committee finds that leaking underground storage tanks pose a serious threat to human health and the environment. In this regard, federal and state requirements for the regulation, maintenance, repair, and replacement of underground storage tanks and for the cleanup of petroleum releases have been established. To ensure that owners and operators of underground storage tanks possess the financial means to meet these standards, financial responsibility requirements have also been established.

Unfortunately, businesses do not always possess the financial capacity to afford the level of liability or financial responsibility coverage necessary under the law. In addition, the cost of retrofitting tanks to maintain them in the proper working condition may also present problems to businesses with limited financial resources. Your Committee finds that it is essential that a mechanism be established to assist underground storage tank owners in meeting the standards of financial coverage and tank operation established under the law.

In order to better assist small businesses involved in operating underground storage tanks in Hawaii, your Committee has amended this bill by establishing an underground storage tank financial responsibility guarantee fund and a temporary underground storage tank revolving loan fund. Along with an initial appropriation, a petroleum tax is established to capitalize the respective funds.

The temporary underground storage tank loan revolving fund is established to provide loans not to exceed \$10,000 to persons requiring financial assistance in retrofitting or replacing underground storage tanks. Loans up to \$100,000 may also be authorized to perform necessary corrective actions in response to past releases of petroleum. The fund is scheduled to cease functioning at the deadline established for owners or operators to obtain appropriate financial insurance. The proceeds of the loan repayments collected in the fund shall be reserved toward the repayment of the initial appropriation authorized by the Legislature to provide initial capital in the fund.

The underground storage tank financial responsibility guarantee fund has been incorporated into this bill to assist owners or operators of underground storage tanks in meeting the financial responsibility requirements of the federal law. The fund will provide moneys for the payment of the costs in excess of \$75,000 in the case of petroleum releases, and the payment of costs in excess of \$200,000 in the case of third-party liability payments.

Your Committee finds that the assistance provided in this bill is essential to the economic welfare of small business underground storage tank owners and operators in the State. Without this assistance, the ability of these businesses to continue operating in an environmentally responsible manner may be jeopardized.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2751, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 312-90 Labor and Public Employment on H.B. No. 2926

The purpose of this bill is to provide that the Director of Personnel may authorize recruitment incentives to employees appointed to civil service positions and employees retained under personal contracts for difficult to fill positions.

Recruitment incentives include: (1) pay for travel and transportation expenses; (2) monetary incentives; and (3) perquisites which may include but not limited to, quarters and utilities.

Your Committee has received favorable testimony from the Department of Personnel Services and the Hawaii Government Employees Association.

Your Committee has amended this bill to exclude the perquisites which could create inequities between existing and new employees.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2926, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 313-90 Labor and Public Employment on H.B. No. 2800

The purpose of this bill is to expand the membership of the Board of Trustees of the Employees' Retirement System from seven to nine members.

At the present time, about 45,000 members in active service are privileged to elect three trustees to represent their interests. However, retirees and beneficiaries numbering about 20,000 members have no representation on the Board. Your Committee finds that there should be a trustee to represent the interest of retirees and beneficiaries of the system.

Your Committee has amended this bill by correcting technical drafting errors affecting the substance of the bill. Accordingly, the measure provides that the Board shall consist of: the Director of Finance; three members of the system; and five citizens of the State who are not employees, one of whom shall be selected from a list of three nominees submitted by the Coalition of Hawaii State-counties Retirees.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 2800 as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2800, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 314-90 Labor and Public Employment on H.B. No. 3013 (Majority)

The purpose of this bill is to preserve an injured employee's right to vocational rehabilitation after a determination of a permanent partial disability award if: (1) after returning to work, the physical requirements of the employee's job changes so that the employee is unable to meet the requirements as a result of the disability; or (2) the employee's position is eliminated.

Your Committee received testimony supporting the intent of this bill from the Department of Labor and Industrial Relations, the International Longshoremen's and Warehousemen's Union, and professionals from various vocational rehabilitation programs.

Your Committee has amended this bill with recommendations provided by the department of Labor and Industrial Relations to insure equity to all claimants.

Your Committee has further amended this bill by requiring the Director of the Department of Labor and Industrial Relation to submit to the legislature a report of all vocational rehabilitation cases authorized by this act twenty days prior to the convening of the 1991 regular session.

Your Committee on Labor and Public Employment is in accord with the intent and purpose of H.B. No. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3013, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tajiri.
(Representatives Anderson and Marumoto did not concur.)

SCRep. 315-90 Planning, Energy and Environmental Protection on H.B. No. 3046

The purpose of this bill is to appropriate funds to assist in developing an integrated model utility which utilizes renewable energy forms.

Your Committee finds that it is essential to pursue all methods of energy generation in order to reach the goal of energy self-sufficiency. Your Committee further finds that in order to determine the feasibility of networking various methods of energy generation into a central electrical grid, a model must first be developed.

Your Committee received testimony from the Department of Business and Economic Development which indicated that as the lead agency, they would be accountable for expenditures. Accordingly, your Committee has amended this measure by deleting the language which indicated that the president of the Pacific International Center for High Technology Research would determine the manner in which the funds were appropriated.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3046, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 316-90 Planning, Energy and Environmental Protection; Health; and Intergovernmental Relations and International Affairs on H.B. No. 2676

The purpose of this bill, as received by your Committees, is to establish a state community noise code applicable to all counties patterned after the Oahu community noise control rules.

Your Committees recognize the need for regulatory requirements for the control and abatement of excessive noise in all counties. This measure would provide the people of the State with a more quiet, peaceful environment.

In addition, your Committees recognize the differences of noise levels between urban and rural areas. As a result, your Committees find that it is not feasible to set identical noise standards for both Oahu and the more rural Neighbor Island communities.

Based on the recommendations of Department of Health and others who testified in support of this measure, your Committees have made several amendments to this bill as follows:

- (1) Amended Chapter 342F instead of Chapter 321;
- (2) Provided the Department of Health with more time to adopt rules by giving the Department a January 1, 1991 deadline;
- (3) Recognized the rural character of Neighbor Islands, which face different noise problems from Oahu, by not requiring the rules to be patterned after the Oahu community noise control rules; and
- (4) Made other technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committees on Planning, Energy and Environmental Protection, Health, and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2676, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2676, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives M. Ige and Tajiri.

SCRep. 317-90 Planning, Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Higher Education and the Arts on H.B. No. 2316

The purpose of this bill is to appropriate funds to continue the "China Program" that the Hawaii Natural Energy Institute (HNEI) has fostered with the People's Republic of China.

This measure will continue the HNEI-China Program that began two years ago. Through this program, more than 40 outstanding students from the People's Republic of China have been able to come to Hawaii to learn and contribute to our research programs at a relatively modest cost.

Your Committees find that this is an outstanding program that fosters goodwill, encourages the development of energy research both in Hawaii and in the People's Republic of China, and provides invaluable opportunities for Hawaii and Chinese students and researchers.

Based on the recommendations of the School of Ocean and Earth Science and Technology of the University of Hawaii, your Committees have amended this bill to provide that the appropriated funds will be deposited into the University of Hawaii's Discoveries and Inventions Revolving Fund.

Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committees on Planning, Energy and Environmental Protection, Intergovernmental Relations and International Affairs, and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2316, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2316, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tajiri.

SCRep. 318-90 Planning, Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Judiciary on H.B. No. 2181

The purpose of this bill is to establish a comprehensive program to administer municipal waste planning, recycling, and reduction.

Your Committees recognize the importance of establishing sound policy for administering solid waste in the State. It is critical to follow well-planned guidelines to ensure the continued environmental well-being of the State.

Your Committees received testimony supporting the intent of this measure from the Department of Health, the County of Maui, the League of Women Voters, MacFarms of Hawaii, Recycle Hawaii, and the Recycling Association of Hawaii.

Your Committees especially favored the provisions requiring preferences to state contractors supplying good with recycled content because this would enable state and county governments to reduce the creation of unnecessary solid waste.

Based on the testimony received from the Department of Health and County of Maui, your Committees find that this measure, as received, may be unduly complex and restrictive; therefore, it may not fulfill the intent of its purpose.

Accordingly, your Committees have amended this measure to retain only those sections providing direction on state and county procurement so that every bidder for the purchase of goods, supplies, equipment, materials, and printing containing the minimum percentage of recycled content shall be given a preference of ten percent of the bid amount.

Your Committees on Planning, Energy and Environmental Protection, Intergovernmental Relations and International Affairs, and Judiciary are in accord with the intent and purpose of H.B. No. 2181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2181, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Peters, Tajiri and Yonamine.

SCRep. 319-90 Planning, Energy and Environmental Protection; Intergovernmental Relations and International Affairs; and Judiciary on H.B. No. 3302

The purpose of this bill is to establish a minimum fine of \$25 for litter violations and to have one-half of the fines collected returned to the county in which the fine was collected.

This measure also includes a provision mandating violators who fail to appear in court to pay a \$25 fine by mail to the court having jurisdiction.

Your Committees find that typical fines for litter offenses are \$25 per offense and that between 500 to 600 citations are issued annually by the Traffic Violations Bureau. This measure would help reduce the number of cases pending disposition in the state's crowded courts.

Your Committees have amended this measure by:

- (1) Deleting language requiring no less than 15 percent of the funds received by the county to be used to promote anti-litter campaigns;
- (2) Clarifying that a person convicted of littering shall spend four hours picking up litter on public property for the first offense;
- (3) Clarifying that a person convicted of littering shall spend eight hours picking up litter on public property for any subsequent offenses; and
- (4) Requiring defendants who fail to appear before the court for the offense of criminal littering to pay a fine of \$25 by mail to the court having jurisdiction.

Your Committees on Planning, Energy and Environmental Protection, Intergovernmental Relations and International Affairs, and Judiciary are in accord with the intent and purpose of H.B. No. 3302, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3302, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita and Tajiri.

SCRep. 320-90 Planning, Energy and Environmental Protection on H.B. No. 3392

The purpose of this bill, as received by your Committee, was to initiate State acquisition of the Hawaii Kai Sewage Treatment Plant, which would then be turned over to the City and County of Honolulu for operation and maintenance.

Your Committee found the cost of acquisition and the design inadequacies of the Hawaii Kai system to be too prohibitive to merit the purchase. In addition, your Committee recognizes that some of the problems regarding the occasional discharge or overflow from private wastewater treatment plants is the result of a lack of State regulatory ability of private facility infrastructure. Currently, the Department of Health only has regulatory capability on the quality of the outfall from private facilities.

Your Committee received testimony from the Department of Health that expressed reservations about the State financing the upgrading of the Hawaii Kai facility. Testimony was also presented by the Environmental Center of the University of Hawaii which indicated that the extent of design inadequacies in the system were such that the cost of plant modifications should be shared by the current owners.

Accordingly, your Committee has amended this measure by deleting all language regarding acquisition of the Hawaii Kai treatment works, and adding language that establishes a new section to Chapter 342D, Hawaii Revised Statutes, entitled "Adoption of Standards for Private Wastewater Treatment Works."

The amended version of this measure now gives the Department of Health the authority to require that all new private wastewater treatment works be built at or equal to the respective county specifications and standards, and that any major repair or renovation of an existing facility be subject to rules adopted by the Department of Health.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 3392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3392, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321-90 Planning, Energy and Environmental Protection on H.B. No. 2697 (Majority)

The purpose of this bill, as received by your Committee, was to penalize the owner of any vessel violating any state environmental law by prohibiting an excise tax exemption.

Your Committee received testimony from the Department of Taxation which indicated a preference for the penalty to be a prohibition on receiving a public service company tax exemption. The Department of Health (DOH) presented testimony indicating that the Department of Transportation is the enforcement agency for vessels, and suggested that the DOH be deleted from the measure. Your Committee has amended this measure accordingly.

Your Committee on Planning, Energy and Environmental Protection is in accord with the intent and purpose of H.B. No. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2697, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representatives Bunda, Hashimoto and Say did not concur.)

SCRep. 322-90 Planning, Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 2216

The purpose of this bill, as received by your Committees, is to provide funding for developing methods to dehumidify intake or circulating air, and other technologies that conserve electrical energy, eliminate mildew, and improve the atmosphere of buildings at the University of Hawaii.

Your Committees received testimony from the University of Hawaii School of Ocean and Earth Science and Technology that indicated the appropriation should be deposited into the Discoveries and Inventions Revolving Fund. Accordingly, your Committees have amended this measure.

Your Committees on Planning, Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2216, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2216, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 323-90 Planning, Energy and Environmental Protection and Health on H.B. No. 2667

The purpose of this bill is to provide funds to support the leaking underground storage tank program.

Your Committees find that in order to provide adequate protection to the environment and public health, it is necessary to allocate funds that would assist in the management of leaking underground storage tanks. The deterioration of underground storage tanks and the subsequent release of their contents into the soil and groundwater represent a continued threat that must be alleviated.

Your Committees on Planning, Energy and Environmental Protection and Health are in accord with the intent and purpose of H.B. No. 2667 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 324-90 Planning, Energy and Environmental Protection and Higher Education and the Arts on H.B. No. 2218

The purpose of this measure is to provide funding for a demonstration wind-hydroelectric project that utilizes wind generated energy to pump water to a higher elevation, and then generates energy as the water descends.

Your Committees find that it is imperative for the State to encourage all forms of energy generation that utilize technology that does not adversely affect the environment, and that also enable the state to become energy self-sufficient.

Your Committees on Planning, Energy and Environmental Protection and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2218, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2218, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 325-90 Economic Development and Hawaiian Affairs on H.B. No. 2229

The purpose of this bill is to amend Act 303, Session Laws of Hawaii 1989, Section 4, by adding the following language:

"In expending the general funds appropriated in this Act for FY90-91, the Office of Hawaiian Affairs should expend \$1,847,280 in special funds. The estimated amount of special funds to be expended by OHA for each program is identified by the letter symbol "B" under "MOF"."

Your Committee is in agreement with the bill and will be forwarding budget adjustments to the Committee on Finance to be incorporated into the final form. Technical, nonsubstantive amendments have been made for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 326-90 Economic Development and Hawaiian Affairs on H.B. No. 2228

The purpose of this bill is to amend Section 10-12, Hawaii Revised Statutes, to allow the Administrator of the Office of Hawaiian Affairs to employ and retain officers and employees necessary to carry out the functions of the office.

Your Committee received testimony from the Office of Hawaiian Affairs in support of this bill. This amendment is consistent with the Board's desire to delegate, and exercise control of the office through the Administrator.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2228 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 327-90 Economic Development and Hawaiian Affairs on H.B. No. 3107

The purpose of this bill is to amend Section 222, Hawaiian Homes Commission Act, 1920, as amended, to include language that will authorize the Department of Hawaiian Home Lands to contract with native Hawaiian organizations and individuals to provide essential services to homestead lessees for the effective implementation and administration of this Act.

Your Committee received testimony in support of the bill. Recommendations were made and adopted by your Committee to add language that would: (1) include beneficiaries; (2) exclude purchase of service grants made pursuant to Chapter 42, Hawaii Revised Statutes; (3) specify the types of services for which the contract may be used; and (4) to identify who is eligible for a contract.

The provisions of this bill will provide the Department of Home Lands with an important tool by which it can contribute to the economic welfare of beneficiaries. Beneficiaries would not be limited to the role of "recipient" for such services but would be given an opportunity to act as "providers" of these same services, as well.

Technical, nonsubstantive changes have also been made for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3107, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328-90 Economic Development and Hawaiian Affairs on H.B. No. 2987

The purpose of this bill is to provide additional funds for the Task Force on Hawaiian Services within the Office of Hawaiian Affairs. The Task Force is working to develop a master plan to coordinate the provision of services by public and private entities to native Hawaiians and Hawaiian populations.

Your Committee received testimony from the Office of Hawaiian Affairs in support of the bill. The bill provides additional funding to complete PHASE 2 of the Master Plan called for in SCR 106, S.D. 1 of the 1989 legislative session.

Technical, nonsubstantive changes have been made to the bill for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2987, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 329-90 Economic Development and Hawaiian Affairs on H.B. No. 3306

The purpose of this bill is to appropriate funds to investigate the scope and source of problems related to the inability of Hawaiian homestead lessees to obtain sufficient irrigation water to support homestead activities in Waimea, island of Hawaii, Hoolehua, island of Molokai, and Kekaha, island of Kauai.

Your Committee has amended the bill to include Puu Opae on the island of Kauai as a part of the study. In addition, the study will be required to examine the need for water to support current and future homestead activities. Technical, nonsubstantive amendments have been made for the purpose of style and clarity.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 330-90 Economic Development and Hawaiian Affairs on H.B. No. 3239

The purpose of this bill is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to Elexs, Ltd. for the purpose of assisting it in generating new capital for the manufacture of electric vehicles and related products in Hawaii.

Under the present law, the Department of Budget and Finance, with the approval of the Governor, is authorized to issue special revenue bonds to assist manufacturing enterprises.

Testimony received strongly supported the bill. Elexs, Ltd.'s proposed electric vehicle manufacturing facility will generate new high technology employment opportunities, create new capital, generate additional tax revenues and will help to diversify Hawaii's economy. The financing of such enterprises may help to move Hawaii toward transportation fuel independence and increase the export of renewable energy technologies from the United States.

Your Committee has amended the bill by adding a "drop dead clause". The authorization to issue the special purpose revenue bonds under this Act shall lapse on June 30, 1992. Technical, nonsubstantive changes have also been made for the purpose of clarity and style.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 3239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3239, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 331-90 Judiciary and Transportation on H.B. No. 3429

The purpose of this bill is to create an administrative procedure for the summary revocation of driver's licenses. This bill also requires the installation of an ignition interlock system in certain instances.

Your Committee is cognizant of the fact that many traffic accidents and fatalities in the State are alcohol-related. The number of arrests for driving under the influence of alcohol has continued to rise even though criminal penalties have been increased. The court backlog of such cases continues to grow as offenders take advantage of delays in the criminal justice system. Meanwhile, the offender is allowed to drive until the time of trial. Furthermore, even after offenders are arrested, they are allowed to drive prior to trial. Offenders are thereby rewarded for delaying trial.

This bill provides for the revocation of the offender's driver's license where the Administrative Director of the Courts ("Director") determines that there existed probable cause that the person drove, operated, or was in actual physical control of a motor vehicle while the alcohol concentration in the person's blood or breath was .10 or more. Alcohol concentration is defined as either grams of alcohol per one hundred milliliters of blood or grams of alcohol per two hundred ten liters of breath.

The Director must review the affidavits provided by law enforcement officials and make a determination of the facts within fifteen days of the date of the arrest. If the Director determines that probable cause existed, the Director must revoke the offender's license for specified periods, and may also require the installation of an ignition interlock system.

An offender who wishes to challenge the Director's decision may request an administrative review, followed by an administrative hearing and a judicial review.

Your Committees have amended this bill by: (1) deleting the lower standard of alcohol tolerance for persons under the age of twenty-one years; (2) by providing for discretionary, instead of mandatory, installation of an ignition interlock

system; (3) by requiring the State to carry the burden of proof at the administrative hearing; and (4) by allowing the State to file a petition for judicial review of the administrative hearing. Your Committees have also amended this bill to increase the appropriation amount from \$100,000 to \$300,000. Other amendments were made for purposes of style and clarity.

Your Committees on Judiciary and Transportation are in accord with the intent and purpose of H.B. No. 3429, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3429, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Cachola, Hiraki, Hirono, Yonamine, Yoshimura, Anderson and Marumoto.

SCRep. 332-90 Judiciary on H.B. No. 2871

The purpose of this bill is to appropriate funds for the payment of certain person's claims against the State.

The Attorney General has recommended that the appropriations provided for in this bill be allowed. The appropriations will allow the claims to be paid in accordance with settlement agreements or judgments.

Your Committee has amended this bill to add claims by Enos, Fowler, Fruge, Gouveia, Industrial Indemnity and Okahara against the State, by deleting the claims in the Kayser v. Yacapin and Hawaii Dredging cases, and by changing the amount in the Doe case from \$23,301.37 to \$23,303.83.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2871, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2871, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 333-90 Judiciary on H.B. No. 2874

The purpose of this bill is to sunset the Hawaii Criminal Justice Commission to provide for the more efficient management and delivery of crime prevention, research and other criminal justice related programs of the Department of the Attorney General, and reinstate language regarding the appointment and enforcement powers of executive security officers.

Your Committee recognizes that in the past, the Hawaii Criminal Justice Crime Commission served an important function by providing a forum for citizen and community input into governmental activities regarding crime prevention and reduction. This Commission could initiate, develop, and implement programs, projects, and activities on the subject of crime prevention and education, and conduct research into matters directed by the Attorney General. The Commission's limitation was that it could not initiate research projects without the Attorney General's consent. The Commission's function and existence now appears to be superfluous.

Your Committee remembers that the Department of the Attorney General is empowered, under Act 332, to establish the necessary task forces and to organize specific studies to examine the subjects and problems that were once the province of the Criminal Justice Crime Commission. Your Committee therefore realizes that the duplication of powers between the two bodies would be a waste of resources.

Your Committee believes that the sunset of the Hawaii Criminal Justice Commission will allow the Attorney General to continue to provide direction to the function the Hawaii Criminal Justice Commission should be performing. The elimination of the Commission will also enable the department to recognize its staff and resources for a more efficient management and coordination of crime prevention, education and criminal justice related programs, such as those administered by two other Attorney General divisions, the Hawaii Criminal Justice Data Center and the Resource Coordination Division.

Your Committee realizes that there are currently no Commission members as all appointments to the Commission expired on June 30, 1989. There will, consequently, be no commissioners affected by the sunset of the Commission.

In regards to section 1 of this bill, your Committee is aware that there was an inadvertent omission from Act 211, Session Laws of Hawaii 1989, of statutory authority for the executive security personnel who were not transferred to the Department of Public Safety created by that Act. Currently, there are fourteen state law enforcement officers, whose positions are authorized by statute in section 28-11.5, Hawaii Revised Statutes, and who are assigned to perform security functions for the governor and lieutenant governor. While the executive security function performed by these officers was retained by the Attorney General under Act 235, the Act repealed section 28-11-5, Hawaii Revised Statutes, because all other state law enforcement officers were transferred to the new Department of Public Safety which has its own statutory authority.

Your Committee concludes that as a result, while the function was retained, there will exist as of July 1, 1990, no statutory authority by which the executive security personnel will be able to perform their functions.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2874, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 334-90 Judiciary on H.B. No. 2883

The purpose of this bill is to facilitate and accelerate the process of considering and disposing of claims for legislative relief

Testimony was received from the Department of Budget and Finance.

Your Committee is aware that currently, claims are filed with the Director of Finance who refers the claims to the state agency concerned. The agency to which the reference is made reviews the claims and submits its recommendations back to the Director of Finance. The Director of Finance then forwards the claims and the agency's recommendations to the Attorney General who reviews the claims and transmits them together with attached recommendations to the Legislature.

Your Committee understands that this bill seeks to improve the legislative claims process by proposing the following amendments:

- 1) That the responsibilities of the Director of Finance in the legislative claims process would be transferred to the Attorney General since the Director of Finance does not conduct any review nor make any recommendations as to the dispositions of the claims, but rather merely serves as a clearinghouse in processing the claims.
- 2) That the requirement that four copies of the claim be submitted would be deleted since the Attorney General has indicated that one copy is sufficient.
- 3) That the requirement that claims be submitted 30 days prior to the convening of the Legislature would be deleted and the submittal of claims during the legislative session would be allowed since this would expedite payment of meritorious claims.
- 4) That the Attorney General would have the flexibility to request investigations of claims by either the affected agency or the Comptroller since the Comptroller has a risk management staff whose assistance may be helpful in reviewing the claims.
- 5) That the requirement that the data and documents substantiating each claim be transmitted to the Legislature along with the claim would be deleted since a narrative explanation would be more helpful and concise. The data and documents substantiating each claim would be available for inspection by the Legislature as needed.

Your Committee, in understanding that in these types of cases expediency is a vital element in obtaining relief, recommends the proposals in this bill to improve the process of legislative claims.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2883 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 335-90 Judiciary on H.B. No. 3005

The purpose of this bill is to require state officials and employees to disclose air travel and overnight lodging expenses, as well as related expenses, if the expenses are paid for by a business and are accepted by the official or employee in order to carry out the duties of the official or employee.

Your Committee finds that the public and the media are suspicious about such trips and non-disclosure of the payments heightens public suspicion. This bill is intended to restore public confidence in this area by requiring public disclosure of the value of air travel, lodging and meals, as well as disclosure of single gifts exceeding \$25 in value and multiple gifts exceeding \$100 in value.

Your Committee has amended this bill by changing the word "file" in subparagraph (d)(1) to "filed".

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3005, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 336-90 Judiciary and Intergovernmental Relations and International Affairs on H.B. No. 3054

The purpose of this bill is to appropriate matching funds for the expansion and renovation of the Kauai veterans' cemetery.

Your Committees find that the Kauai veteran's cemetery is in need of renovation and expansion in order to maintain the resting place for the veterans of Kauai. With the selection and acquisition of the site already completed, the proposed development of the five acres adjacent to the current cemetery will provide additional burial space for the next ten years.

Your Committees shares the concern with the county of Kauai and Kauai's veteran community regarding the maintaining of the veterans' cemetery and agrees with the merits of this bill.

Your Committees on Judiciary and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3054 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Okamura, Taniguchi, Yonamine, Yoshimura, Anderson and Cavasso.

SCRep. 337-90 Judiciary and Labor and Public Employment on H.B. No. 2774

The purpose of this bill is to clearly identify the date from which retirement credit will be calculated for District Court and District Family Court judges under the Employees' Retirement System law.

The present Employees' Retirement System law is ambiguous as to whether the computation of new retirement benefits relate back to the date when the respective judges began service in the system, or be limited to service after July 1, 1989. The present law is also ambiguous as to whether or not a former District Court or District Family Court judge who became a Circuit Court, Intermediate Court, or Supreme Court judge or justice as of July 1, 1989, would qualify for the new retirement benefits.

Your Committees are in agreement that the respective judges should be entitled to full service credit for those years prior to July 1, 1989, provided the respective judges claim those years as prior service credit and pay for the prior service credit in accordance with Section 88-59.

Your Committees have amended this bill by adding a provision which allows judges who retired, but continued to be employed or became reemployed, to become members of the system and claim prior service credit for the period of employment after retirement, provided the judges pay for the prior service credit. This bill also allows judges to remain employed as judges after age 65 if they become members of the system. Your Committees intend to allow judges who retired under Section 88-61 to be placed in a similar position with other retirants who return to work under Section 88-98.

Your Committees have also made changes to reflect the intent of this bill, as well as technical, nonsubstantive amendments for purposes of style and clarity.

Your Committees on Judiciary and Labor and Public Employment are in accord with the intent and purpose of H.B. No. 2774, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2774, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Baker, Cachola, Hirono, Horita, Yonamine and Marumoto.

SCRep. 338-90 Judiciary and Higher Education and the Arts on H.B. No. 2057

The purpose of this bill is to establish a Judiciary History Center.

Your Committees are in agreement with the stated purposes and intent of the bill to promote the educational, historical and cultural interests of the people of the State through the use of exhibits and activities at the Judiciary History Center.

The Judiciary will pay all costs associated with creating and maintaining the Judiciary History Center. Your Committees have amended this bill by deleting the appropriation sections and intend to allocate the necessary funds through the bill relating to the Judiciary's budget, H.B. No. 2608.

Your Committees on Judiciary and Higher Education and the Arts are in accord with the intent and purpose of H.B. No. 2057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2057, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bunda, Stegmaier, Tam, Hemmings and O'Kieffe.

SCRep. 339-90 Judiciary on H.B. No. 3182

The purpose of this bill is to provide funding to the Judiciary to assist in the achieving gender neutrality and fairness in the legal system of the state.

Testimony was received by representatives from the Judiciary and the community.

Your Committee strongly supports the achieving of gender neutrality in the state's legal system. Your Committee believes that gender bias exists when preconceived notions about men and women interfere with impartial judgement. This form of discrimination, if present in a judicial system, undermines the foundation upon which the legal system rests, namely, that all people will achieve fair and impartial treatment.

Your Committee appropriates \$25,000 out of the general revenues of the state to be expended by the judiciary for implementing purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3182, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yoshimura and Anderson.

SCRep. 340-90 Judiciary and Legislative Management on H.B. No. 2306

The purpose of this bill is twofold: 1) to establish a commission whose existence is to develop and recommend a comprehensive plan and strategy for statewide drug rehabilitation and education programs; and 2) the authorization of funds to the Department of Attorney General for statewide drug enforcement and interdiction activities.

Testimonies strongly in favor of this bill were given by the Department of the Attorney General, the Judiciary, and the Department of Education. The Department of Health in recognizing the need for an overall comprehensive plan and strategy to fight the "war on drugs" supported the intention of the bill but believed that the proposed commission duplicated the functions of the Advisory Commission on Drug Abuse and Controlled Substances created under Act 190, SLH 1975, and preferred not to have another official body created to address the drug problem.

Your Committees rejects the Department of Health's preference and recognizes the inactivity and ineffectiveness of the Advisory Commission.

Your Committees immediately recognizes the serious drug problem as it exists in Hawaii and strongly reaffirms its commitment to the war on drugs.

Your Committees on Judiciary and Legislative Management are in accord with the intent and purpose of H.B. No. 2306, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Hemmings and Liu.

SCRep. 341-90 Judiciary; Human Services; and Intergovernmental Relations and International Affairs on H.B. No. 2308

The purpose of this bill is to provide for the development of a coordinated youth gangs response system that incorporates the critical elements of law enforcement/intelligence, training/community awareness, community intervention, community prevention, information, and evaluation.

Your Committees received substantial testimony from the Department of the Attorney General, the Juvenile Justice Interagency Board, the Judiciary, the Center for Youth Research, the Office of Youth Services, the Department of Education, the Office of Children and Youth, the Department of Health, and other concerned organizations. All groups are in support of this bill.

It is agreed by those offering testimony that the most effective method of responding to the problems posed by youth gangs is through a coordinated effort by all concerned groups in developing a comprehensive strategy. Subsequent underlying youth, family, and social issues which arise must then also be addressed. In understanding this enormous and complex situation the success of this body's efforts against the youth gang problem would be determined by the following factors:

- 1) Whether or not there is a long term commitment on the part of decision makers to insure stable and sufficient funding;
- 2) Whether or not there is a careful evaluation of existing programs and, if those programs are deemed deficient, corrections and upgrades are made;
- 3) Whether or not skilled, committed, and caring youth workers can be attracted, retained and well compensated;
- 4) Whether or not there is a systematic linking of existing resources; and
- 5) Whether or not implementation of the developed comprehensive strategy is made to address immediate needs.

Concern was also raised by the spokesperson for the Judiciary as to the issue of access to social record information from a juvenile's Family Court case file. The spokesperson testified that:

- 1) The Judiciary was unclear as to the intent of the proposed amendment to §571-84;
- 2) Certain information within the court case file is strictly confidential and includes information and evaluations of the juvenile to which the public and parties to the action are not privy, except when released through judicial authority;
- 3) HRS § 571-1 and §571-84(h) provide that evidence given in a Family Court juvenile matter shall not be used as evidence against the child in a criminal matter or for any purpose whatever, except in subsequent cases involving the same child under §571-11; and

4) HRS §571-1 provides that a juvenile adjudication does not constitute a criminal conviction.

Concern was raised by the Department of the Attorney General as to the lack of personnel, equipment, and space to administer the proposed program. The bill calls for the Department of the Attorney General to be responsible for the overall coordination of the Act mandate while being responsible for the establishment, equipping, and maintenance of the coordination office. No funds in the bill have been allocated towards these purposes. It is also the recommendation of the Department that the time allowed for the expenditure of funds allocated be extended for one year so that the various programs have sufficient time to be fully implemented and evaluated.

Your Committees are resolved to develop and implement a coordinated statewide strategy system that involves all sectors of the community. This response system as established by this bill will contain:

- 1) The continued development of a statewide gang information system and clearinghouse;
- 2) The continued development of public education and community support;
- 3) The monitoring of gang activities statewide;
- 4) The establishment of new gang prevention programs;
- 5) The continued development of existing gang prevention programs;
- 6) The conducting of a study of activities offered to youths between 13 and 18 years of age by the Department of Parks and Recreation for the City and County of Honolulu in targeted communities;
- 7) The expansion of the Department of Education's disturbance plan;
- 8) The expansion of the Department of Education's school personnel training program at targeted schools;
- 9) The development and providing prevention and intervention services and programs for youth-at-risk by the Office of Youth Services in targeted communities; and
- 10) The commissioning of the Center for Youth Research at the University of Hawaii to conduct an evaluation of the youth gang response system created by this Act.

Your Committees are greatly concerned with the issue raised by the Judiciary in regards to confidentiality and, after consideration, will amend the § 571-84(b) to reflect the intent of the bill's sponsors while being more specific in its language. In conforming the language in §571-84(b) Your Committees also believe it appropriate to similarly amend §571-84(a) for consistency and clarification.

Your Committees also believes that the appropriation request by the Department of the Attorney General in the amount of \$92,936.00 is necessary for the bills implementation and the bill is amended as requested. The Department of the Attorney General's recommendation that the time allowed for the expenditure of allocated funds within this bill be extended for one year is accepted and the bill is amended as such.

Your Committees are of the opinion that, as amended, this bill constitutes a comprehensive and essential agenda in the fight against youth gangs.

Your Committees on Judiciary and Human Services and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Tam, Yonamine, Liu and Marumoto.

SCRep. 342-90

Judiciary; Human Services; and Intergovernmental Relations and International Affairs on H.B. No. 2307

The purpose of this bill is to provide funds for family needs assessment workers for rural communities, a statewide non-violent social skills deterrent program, training for county police departments in regards to spouse abuse intervention training, and an abuse prevention pilot project program for Hawaii County elementary schools.

The Department of Health, the Department of the Prosecuting Attorney, City and County of Honolulu, the Department of Education, the Judiciary, the Department of Human Services, and several community organizations testified in favor of this measure.

Your Committees considers the family as the natural and fundamental unit of our society. Support of the family and the prevention of family violence is, therefore, an important goal of our government. This critical goal may be achieved by the early identification and intervention into problem areas, and the providing of prevention and deterrent activities which build self-esteem and reduces impulsive and aggressive behavior.

Your Committees also finds that the suffering endured by families covers the entire ethno-socio-economic spectrum. This necessitates the need for the design and implementation of a broad range of preventive community oriented services by the

State. The recognition of the impact of family violence upon our society and the prioritizing and marshalling of our resources against it are the first crucial steps which we must take towards building stronger families in Hawaii.

Your Committees on Judiciary and Human Services and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2307 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Tam, Yonamine, Liu and Marumoto.

SCRep. 343-90 Judiciary on H.B. No. 3012

The purpose of this bill is to appropriate funds out of the general revenues of the State for the implementation of the Civil Rights Commission.

The Civil Rights Commission was created in 1988 and is intended to provide a mechanism for a uniform procedure for the enforcement of the State's discrimination laws. Funds are necessary for the operation of the Commission.

Your Committee has amended this bill for the purpose of appropriating the sum of \$1.00 to the Commission.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3012, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews and Anderson.

SCRep. 344-90 Judiciary on H.B. No. 2608

The purpose of this bill is to appropriate supplemental funds to the programs of the Judiciary for the 1990-91 supplemental fiscal year.

General Comments

Your Committee has reviewed the Judiciary's supplemental budget request in detail, and finds that the request in general is consistent with its strategic plan and facilities master plan, and provides for only the Judiciary's most critical supplemental needs. It should be noted that the Judiciary has made a conscientious effort to improve its administration and management in accordance with the recommendations made by the Legislative Auditor in its Management and Financial Audit of the Judiciary. The Judiciary has also provided those reports and plans required by Act 315, 1989 Session Laws, and has been cooperative and responsive to the information requests made by your Committee. Largely because of the peculiarities of the budgeting process, however, your Committee has found it necessary to make adjustments to the Judiciary's original supplemental budget request as discussed below.

Judiciary's Supplemental Request

The Judiciary's request for supplemental funding in fiscal year 1990-91 is for 39 additional positions and \$4,237,352 additional general funds for operations, as well as \$17,567,000 for additional capital improvement projects. This request represents a 2.4% increase in positions, a 6.3% increase in the operating budget, and a 619.2% increase in the capital budget over the corresponding Act 315 appropriated amounts for fiscal year 1990-91 adjusted for corrections and the relocation of the Sheriff's Office. It should be noted that the total budget request for fiscal year 1990-91 excludes funding for the Office of the Sheriff due to its imminent transfer to the Department of Public Safety effective July 1, 1990, pursuant to Act 211, Session Laws, 1989.

With respect to the supplemental operating budget request, your Committee finds that in principle the requests are reasonable for the following reasons:

1. There is an increasing number of case appeals, domestic violence cases, and criminal cases which must be adjudicated, processed, and recorded in the various courts. This requires additional judges, court room staff, support staff and equipment, and office space to facilitate court actions and court document processing if the Judiciary is to achieve its primary mission of resolving disputes and delivering justice in a timely and efficient manner.
2. There is a need for additional automation equipment and systems to improve the Judiciary's ability to process and manage the increasing amount of court case data, to communicate electronically, and to provide expeditious processing and publishing of court-related documents.
3. Certain requests will facilitate compliance with the Legislative Auditor's management audit, such as boosting the records management staffing and activities in the district courts, and obtaining consulting services to establish administrative policies and procedures manuals.
4. Organizational changes have necessitated certain supplemental funding requests. The responsibility for facilities maintenance for the Supreme Court Building, for example, has been transferred to the Judiciary from the Department of Accounting and General Services, and therefore requires additional facilities maintenance staffing and associated equipment. The transfer of the District Court's cellblock security

function from the relocating Sheriff's Office to the Bailiff Division has also necessitated additional court bailiffs and prisoner restraint paraphernalia.

5. Excessive workload and increased overtime pay costs for permanent staff in facilities maintenance and court operations in the district courts can be reduced through the use of additional temporary positions.
6. There is a pressing need to prevent family and youth-related violence because of the steady growth in such cases. There is increasing evidence that such prevention can be accomplished through programs aimed at rehabilitating offenders and treating victims of violence. The Family Court in particular supports this method of dealing with violence cases, and has requested a number of additional programs through purchase of services and grants in aid.

With respect to capital improvement projects, your Committee finds that the Judiciary's request to expand its court-related facilities is generally reasonable because of the overcrowded condition of existing Judiciary facilities and the additional space needed to support additional judges and staff. The capital projects are also consistent with the Judiciary's Master Plan for facilities.

Recommended Supplemental Budget Adjustments

Although your Committee finds that the Judiciary's supplemental operating budget request is generally reasonable, certain adjustments are appropriate in order to accommodate other requests and position repricing decisions that were made after the Judiciary budget was submitted:

1. A reduction of \$564,952 for the repricing of Bargaining Unit 13 professional and scientific classifications due to its inclusion in S.B. 3162.
2. An increase of \$113,730 to correct the repricing of Bargaining Unit 10 employees, and to add the repricing of secretaries.
3. The addition of 2 positions and \$267,517 to cover the funding requirements of other Judiciary bills:

a.	HB 2057:	Judiciary history center	@	\$	222,516
b.	HB 2833:	Sign language interpretor	@	\$	20,000
c.	HB 3182:	Gender neutrality training	@	\$	25,000
d.	HB 3059:	Intrafamily sex assault program	@	\$	1
4. The addition of \$419,742 to fund eleven additional programs primarily in the area of treatment and prevention of domestic violence through grants in aid and purchase of services that were not included in the original Judiciary budget request due to timing. (Eleven other grants and POS worth a total of \$304,739 are already included in the original Judiciary budget request).
5. A reduction of \$75,000 for the purchase of 3 motor vehicles to transport judges to rural courts because of the availability of alternatives such as mileage reimbursements.
6. A reduction of \$211,869, or 5% of the supplemental budget request, in consideration of the tendency of the Judiciary's actual expenditures to be lower than the amount of funds allocated in each of the Judiciary's program IDs due largely to vacant positions created by transfers, retirements, and turnovers, and to hiring lags.

With respect to the Judiciary's capital improvement project budget, your Committee has made the following adjustments to the supplemental request:

1. An increase in funding of the land acquisition for the Family Court Center on Oahu by \$1.58 million to account for higher than anticipated land prices in the Kakaako area.
2. Deletion of supplemental funding for land acquisition and design of the Kauai Judiciary Complex (\$1.58 million) and for design of the Wahiawa District Court (\$204,000) to focus attention and resources on the Family Court Center and the Hilo Judiciary Complex which remain the Judiciary's highest priorities as emphasized by the Chief Justice of Hawaii in the Judiciary's Supplemental Budget and Variance Report.

The net effect of these various adjustments is that:

- a. The Judiciary's supplemental operating budget request of 39 positions has been increased by 2 to 41 positions,
- b. The Judiciary's supplemental operating budget request of \$4,237,352, in operating funds has been reduced by \$50,832 to \$4,186,520.
- c. The Judiciary's supplemental capital improvement project request has been reduced by \$204,000 from \$17,567,000 to \$17,363,000.

Other Comments

In the process of analyzing the Judiciary's supplemental budget request and working within the State's budgeting guidelines, your Committee has recognized a deficiency in the variance report prepared by the Judiciary that should be addressed to facilitate and improve the budget review process.

There is insufficient data and/or processes to determine how well the Judiciary is managing and controlling its appropriated funds. The variance report submitted by the Judiciary, for example, summarizes the difference between the actual expenditures and the budgeted amounts by program ID for the most recently completed fiscal year. However, the actual expenditures are not directly comparable to the budgeted amount because of collective bargaining augmentation and legislative acts which can modify the actual amount of funds allocated to the Judiciary. More relevant comparisons would be to:

- a. compare the actual expenditures excluding augmentations to the budgeted amount, or
- b. compare the actual expenditures to the fully allocated amount including augmentations.

The expenditure variance report is also incomplete in that it only shows variances at the total operating level without the cost category detail used in summarizing budget requests, i.e., personal services, other current expenses, equipment, and motor vehicles. Consequently, it is difficult to ascertain where the variances are occurring. Your Committee suggests that the Judiciary modify its accounting and/or variance reporting process to capture and display more meaningful variance information as indicated above.

Summary

In summary, your Committee on Judiciary has amended H.B. 2608 in accordance with the recommendations discussed above, including additional provisions to clarify and direct certain appropriations to their intended purposes.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2608, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2608, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Hirono, Okamura, Yoshimura and Anderson.

SCRep. 345-90 Judiciary on H.B. No. 2459

The purpose of this bill is to increase the maximum loan amounts for disaster relief from \$25,000 to \$50,000 for business loans and from \$5,000 to \$25,000 for personal loans.

The Disaster Commercial Loan Program was initially established in 1961 to provide financial assistance to businesses which suffered damages in state-declared disasters. The program was expanded in 1976 to include personal loans of up to \$5,000 for individual and family needs. Your Committee finds that the increase in the maximum loan amounts is consistent with rising costs of living.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2459 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 346-90 Judiciary on H.B. No. 2600

The purpose of this bill is to increase the fees charged by the District Courts for the institution of actions, claims and certain motions, writs and summons.

The fees in question have not been increased since 1984 and the amounts of the increases are consistent with rising operating costs.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2600 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 347-90 Judiciary on H.B. No. 2833

The purpose of this bill is to make available a sign language interpreter at every judicial function and every courtroom proceeding that is open to the public.

Testimony on this bill was received from spokespersons from government organizations and members of the community.

Your Committee strongly believes that a hearing impaired person is entitled to equal access to our court system.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2833, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 348-90 Judiciary on H.B. No. 2059

The purpose of this bill is to provide salary increases for the justices and judges of the Hawaii Judiciary, as well as members of the Public Utilities Commission and the labor and Industrial Relations Appeals Board.

Your Committee finds that pay raises are necessary to maintain the high caliber of legal talent currently held in the respective positions.

Your Committee has amended this bill by changing the pay salaries for the justices and judges and by deleting the appropriation sections relating to the Judiciary. Your Committee intends to allocate the necessary funds through the Judiciary's budget request, H.B. No. 2608. Your Committee made other technical amendments for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews and Cachola.

SCRep. 349-90 Judiciary on H.B. No. 2146

The purpose of this bill is to make open for public inspection records relating to compromises of state tax claims against individuals.

The current law does not allow inspection of the personal records of individual taxpayers. This bill makes statements relating to compromises on file with the department to be open for public inspection.

Your Committee has amended this bill to comport with language contained in H.B. No. 2946. Your Committee has also made technical changes for purposes of style and clarity.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2146, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 350-90 Judiciary on H.B. No. 2212

The purpose of this bill is to allow a qualified exemption to be taken by a taxpayer who physically resided in the state for less than nine months of the taxable year if the person physically resided in the state for one full calendar year immediately prior to the date of the person's death.

The present law does not allow an exemption to be claimed unless the person physically resided in the State for more than nine months, even if the person was a resident of the State for many years. This bill is intended to allow a qualified exemption to be taken by taxpayers who died in the first nine months of the taxable year, if the person resided in the State for the entire year prior to death.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2212 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 351-90 Judiciary on H.B. No. 2820

The purpose of this bill is to enable the State to recover unclaimed properties identified in lawsuits currently involving the State by amending Chapter 523A, Hawaii Revised Statutes.

Your Committee finds that the proposed amendment in section 1 of the bill will permit the state to recover from an out-of-state holder of unclaimed property (like a brokerage house) when the holder did not originate the unclaimed property but is an intermediate holder. Your Committee also finds that the proposed amendment in section 2 of this bill is intended to clarify that the requirements stated in sections 523A-52 to 523A-64, Hawaii Revised Statutes, are merely procedural provisions, so that recovery of unclaimed property will not be jeopardized if the provisions are not strictly followed.

Your Committee understands that the State of Hawaii has joined with other states in two lawsuits relating to recovery of unclaimed property. One, *Delaware v. New York*, which is pending in the United States Supreme Court, essentially involves a dispute as to which state or states are entitled to hold unpaid interest and dividends in brokerage accounts when the owners have not claimed the moneys, e.g. the state in which the brokerage house is located or incorporated; the state in which the entity issuing the interest or dividend is located or incorporated the state in which the owner last resided.

Your Committee further understands that the other case, *Alabama v. Bowsher*, which is pending in the United States District Court for the District of Columbia, seeks to recover from the federal government certain unclaimed funds being held in the United States Treasury. These accounts are 20X6133, titled "Unclaimed Moneys of Individuals Whose

Whereabouts Are Unknown," which includes, for example, unclaimed condemnation awards, unclaimed wages and effects of American seamen, unclaimed military pay and unclaimed pay of deceased federal employees, and unclaimed proceeds of the salvage of American vessels, and account 1060, which is for unclaimed moneys which do not meet the criteria for deposit in account 20X6133.

Your Committee is aware and agrees with private counsel hired to represent Hawaii in these suits that Hawaii amend its unclaimed property law, Chapter 523A, Hawaii Revised Statutes, as set forth in this bill to enhance its recovery in these two immediate lawsuits and future situations as they arise.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2820 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 352-90 Judiciary on H.B. No. 2260

The purpose of this bill is to encourage participation in the political process by individual citizens and to de-emphasize the importance of political action committees by increasing from \$100 to \$250 the tax deduction for political contributions by taxpayers and by imposing a \$1,000 limit on contributions to the campaigns to state legislatures.

Your Committee is in agreement with the findings and purposes stated in this bill.

Your Committee has amended this bill for the purpose of making it applicable to all state and county elections other than mayoral and gubernatorial elections.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2260, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 353-90 Judiciary on H.B. No. 2231

The purpose of this bill is to increase the costs and fees charged for service of process, summons and other legal documents by the Sheriff and police officers.

Some of the current fees charged have not changed since 1980, and others have not changed since 1984. An increase in fees charged will serve to increase the incentive for prompt service of process by deputy sheriffs and police officers.

Your Committee has amended this bill for the purpose of inserting the amounts of the new costs and fees to be charged.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2231, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 354-90 Judiciary on H.B. No. 3059

The purpose of this bill is to establish an intrafamily sexual assault program for the supervision, monitoring, assessment and treatment of intrafamily sexual assault offenders.

Your Committee is cognizant of the fact that intrafamily sexual assault cases are complex and require close supervision by the adult probation officer. Short-term incarceration combined with long-term probation and treatment offers greater potential for successful reunification rather than long-term incarceration, especially where the offender is a loved parent and sole provider for the family. The intrafamily sexual assault program is intended to become a central link between the civil and criminal justice systems in protecting children from sexual assault.

Your Committee has amended this bill for the purpose of appropriating the sum of \$1.00 to the program.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 355-90 Judiciary on H.B. No. 3060

The purpose of this bill is to make an appropriation for the purchase of equipment, supplies, and vans for the community service program of the the Oahu Community Correctional Center.

Testimony was received from the spokesperson for the Department of Corrections.

Your Committee recognizes that the community service program at the Oahu Community Correctional Center not only provides qualified inmates the opportunities to demonstrate that they are capable and deserving of returning to the community, but also that they provide benefits to the community that otherwise would go unmet. Your Committee is aware of the wide variety of community projects that the inmates undertake, that of cleaning culverts along highways, maintaining hiking trails, constructing and renovating community centers, and clearing overgrowth along the highways.

Your Committee understands that because of the amount of work that the inmates undertake daily much of their equipment have fallen into disrepair. Currently there is a lack of funds to purchase needed supplies and because of this there exists a less than optimum cost-effective operation.

Your Committee finds that the program, which has been a tremendous success, needs funds to replace old equipment, purchase supplies, and acquire three additional vans so that opportunities to service the community may be continuously and efficiently provided by the inmates.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3060 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 356-90 Human Services on H.B. No. 3370

The purpose of this act is to appropriate funds for a program which will provide home loans to homeowners and prospective homeowners otherwise unable to participate in neighborhood revitalization.

Your Committee received testimony favorable to this measure from the Housing Finance and Development Corporation, the Department of Hawaiian Home Lands, and the Nanakuli Neighborhood Housing Services, Incorporated.

Your Committee finds that many homeowners in older neighborhoods are eager to join in community efforts to improve their environment, but are unable, due to ineligibility for conventional loans. Some, in the area targeted by this bill, reside on Hawaiian Homes Land, others are on fixed incomes or employed at low wages. Further, there are houselots available and many renters who wish to stay in and help improve the area, but who are similarly unable to obtain loans for purchase or building.

Your Committee has amended this bill to specifically focus on the Nanakuli community.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3370, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 357-90 Housing and Judiciary on H.B. No. 3384 (Majority)

The purpose of this bill is to place a sliding scale tax on the speculative sales of residential real property to discourage speculation and help stabilize prices for housing in the State.

Your Committees received testimony in support of this bill from the Department of Commerce and Consumer Affairs.

Despite testimony from the Department of Taxation suggesting that the bill may impede economic growth and may increase consumer costs, your Committees feel that the need to stabilize housing costs and deter real estate speculation in the State far outweighs the problems anticipated by the Department of Taxation.

Your Committees on Housing and Judiciary are in accord with the intent and purpose of H.B. No. 3384 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. 358-90 Housing on H.B. No. 3056

The purpose of this bill is to assist needy individuals and families in maintaining residential lease rents at an affordable level by providing these owners with land lease rent supplement payments.

Your Committee received favorable testimony on the intent of the bill from the Hawaii Finance Development Corporation (HFDC), the Bishop Estate and several small landowners with suggested amendments.

The Director of the Hawaii Finance Development Corporation questioned the need for \$2.5 million. He also suggested that a recipient give HFDC a lien providing for repayment of any principal which HFDC had advanced upon sale or upon death of the recipient. In addition HFDC proposed specific changes in the wording of the bill, making definitions and rules more specific.

The purpose of this bill is to authorize the Director of Finance to issue bonds for the purchase of the S.S. Monterey to create an emergency housing facility, the funds to be expended by the Housing Finance and Development Corporation.

Your Committee heard the Director of Transportation testify that the Monterey was taking up dock space needed for cargo. He also suggested that the maintenance expenses as a housing facility would be high.

The Director of the Housing Finance and Development Corporation explained that it would take too long to issue the bonds and receive the money since the Monterey is now scheduled to be auctioned on March 15, with an upset price of \$14 million. The only funds HFDC has in liquid form are in the DURF fund, which can be loaned, with interest paid on the loan, and the money restored to the fund once the homes it financed have been purchased.

Your Committee also heard from the Homeless Aloha representative, Susan Jones, from Richard Melton of the Affordable Housing Alliance and from Reverend Richard Rowe of the Institute for Human Services. Each was eloquent in emphasizing the urgent need for homeless housing and that acquiring a floating hotel would have an immediate impact in helping meet the problem. The ship would accommodate the growing number of homeless families, single parents with children, and the single working poor. People have to be turned away every night from the shelters which now exist.

Richard Melton pointed out that homeless occupants of the Monterey would have to be sent there on the recommendation of a social worker so that it would not be a magnet for out-of-state travelers looking for a cheap vacation. He had done some rough arithmetic which indicated that people paying \$250 a month would produce sufficient funds for the operating expenses of the ship as a homeless center. All emphasized that the facilities aboard the Monterey would make available immediately the amenities that those who work with the homeless struggle to provide -- room for a child care facility, for classrooms, an office, a laundry, a communal dining room and so on.

The Rev. Rowe pointed out that the Monterey would really fill a void immediately. One of the working homeless cared for at IHS finally found housing at \$325 a month--a single room in someone else's home.

Mr. Melton pointed out that if the Monterey were purchased it would be possible to drop H.B. 3248/S.B. 3475, which provides construction funds for SRO's.

The Vice Speaker expressed the opinion that other mooring facilities could be found on Oahu if the present docking space is needed for commercial operations.

Your Committee, after considering testimony, decided to amend the bill to delete Section 1 of the bill by deleting the appropriation for the purchase of the S.S. Monterey and providing in lieu thereof an authorization for the Executive Director of HFDC to borrow funds from the Dwelling Unit Revolving Fund (DURF) when the auction for the Monterey takes place with the hope that it could be bought at the upset price. The borrowed funds could be replaced by the legislature during the next session, together with the interest on the borrowed funds. If it is not possible to buy the Monterey at the auction, the Executive Director of HFDC would be authorized to buy any moderately priced hotel which came on the market for less than \$15 million and which would afford housing for a minimum of 500 people, under the same arrangement as authorized for purchase of the Monterey.

Your Committee believes that the number of homeless is growing faster than housing can be provided now. We feel the State needs to take a dramatic move which would immediately reduce the number of homeless.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3423, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.
(Representatives Amaral, Arakaki, Duldulao and M. Ige did not concur.)

SCRep. 363-90 Housing on H.B. No. 2704

The purpose of this bill is to authorize the issuance of general obligation bonds in the sum of \$9,095,000 for the construction, acquisition, or rehabilitation of homeless shelters.

The Hawaii Housing Authority, the Hawaii Ecumenical Housing Corporation, the Waikiki Health Center, the Homeless Aloha Inc., the Affordable Housing Alliance, the Kauai Interfaith Council, and the Institute of Human Services testified in support of this measure.

The testimony indicated that many of the homeless are low wage workers and single-parent families with young children who cannot find affordable housing. Your Committee is very concerned about their plight and finds that an urgent need exists to provide additional shelters for the homeless, especially for the families with children and the working poor.

Upon further consideration, your Committee has amended this bill by increasing the total funding to \$10,405,350. More specifically, your Committee has made the following amendments:

- (1) Added \$1,660,000 for the Salvation Army's multiservice transitional shelter for the homeless in Lahaina;
- (2) Deleted the Kauai Economic Opportunity's shelter project;
- (3) Increased the scope of the Kauai Interfaith Council's project to include construction of houses and provided an additional \$265,000; and

- (4) Reduced the total funding for the Institute for Human Services to \$7,400,500 and reallocated the funds to different aspects of the two dormitory projects.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2704, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 364-90 Intergovernmental Relations and International Affairs and Consumer Protection and Commerce on H.B. No. 2094

The purpose of this bill is to give a portion of the revenues generated by the public service companies (PSC) tax to the counties. Specifically, this bill provides that the state shall retain revenues that would have been generated by the PSC tax at a rate of four percent, with the remainder to be allocated to the counties.

Your Committee finds that the PSC tax is imposed upon utilities in lieu of real property taxes. As a result, the counties are not allowed to collect real property taxes on any real property owned by or leased to utilities, nor do the counties currently receive any portion of the public service companies tax. This measure attempts to compensate the counties for this restriction.

After consideration of testimony received on this measure, your Committee has amended the bill to establish that the funds provided under this measure shall be distributed according to the amount of taxes generated in each county, and to make the Director of Budget and Finance responsible for paying these funds over to the counties.

Your Committees have also amended the bill clarify that these taxes are in lieu of real property taxes, and any county receiving monies under this measure shall not be allowed to levy a real property tax on taxpayers subject to Chapter 239, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the County Council of Hawaii, GTE Hawaiian Telephone Company Incorporated, Department of Finance of the county of Hawaii, and Gasco, Incorporated.

Your Committees have made other technical, non-substantive amendments for the purposes of clarity.

Your Committees on Intergovernmental Relations and International Affairs and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2094, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2094, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Tajiri and Takamine.

SCRep. 365-90 Housing and Health on H.B. No. 3055

The purpose of this bill is to appropriate \$250,000 to establish a program for drug abatement in public housing complexes.

Your Committees received testimony in support of this bill from the Hawaii Housing Authority.

Your Committees on Housing and Health are in accord with the intent and purpose of H.B. No. 3055 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Metcalf, Tam and Liu.

SCRep. 366-90 Housing on H.B. No. 2169

The purpose of this bill is to require landlords to give month-to-month tenants at least ninety days' notice if the building is to be converted to transient vacation rentals and to notify the Real Estate Commission of any intent to remove premises from the resident rental pool.

Your Committee finds that the conversion of rental housing into other uses is displacing many residents.

Your Committee received testimony from the Department of Commerce and Consumer Affairs supporting the intent of the bill, but refusing to be the repository for any information.

Your Committee also received testimony from the Real Estate Commission opposing the measure because it has no authority over the Landlord-Tenant Code nor does it collect or compile data on dwelling units.

Based on these comments, your Committee has amended this bill by deleting the provision requiring landlords to submit a written report to the Real Estate Commission of the intention to remove premises from the residential tenant pool.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2169, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Ihara and Liu.

SCRep. 367-90 Housing on H.B. No. 3235 (Majority)

The purpose of this bill is to impose and collect a graduated surtax to provide for a State fund that will be used to acquire or construct housing units for low- and moderate-income individuals and families for rent or purchase. A portion of the State fund will be expended to also address the housing needs of eligible Hawaiian or part-Hawaiian families.

Testimony in support of this measure was submitted by the Department of Taxation, the Housing Finance and Development Corporation, and the Affordable Housing Alliance.

Testimony expressing reservations with regards to this measure was submitted by the Hawaii Tax Foundation.

Your Committee, upon further consideration, has amended the bill by:

- (1) Exempting from surtax any association of apartment owners or real estate broker who acquires the leased fee interest of property held for less than ten years for the sole purpose of selling to the individual condominium apartment owners or to a cooperative housing corporation;
- (2) Amending the titles of Sections 247-1, 247-2, 247-3, and 247-7, Hawaii Revised Statutes, to include "and surtax(es)";
- (3) Amending the title of Section 247-3 to include "section 247-2"; and
- (4) Amending several sections throughout the Chapter to include, where applicable, "and surtax(es)" or "and surtax(es), if applicable".

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3235, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ihara and Liu.
(Representative Cavasso did not concur.)

SCRep. 368-90 Water and Land Use on H.B. No. 2791

The purpose of this bill, as received by your Committee, is to appropriate funds for the purchase and management of Waipio Valley by the State of Hawaii. The measure also provided for an interim study to investigate a variety of issues involved in the purchase and management of Waipio Valley.

Your Committee finds that Waipio Valley is an area of agricultural, historical, and cultural significance to the people of Hawaii. Because of its value to the State, your Committee finds that it should be secured by the State for the benefit of all the residents of Hawaii.

In 1987, the Department of Land and Natural Resources prepared a report to "Explore the Feasibility of State Acquisition of Waipi'o Valley on the Island of Hawaii" pursuant to S.R. No. 196 (1986). In the report, the Department found that if the Bishop Museum, the primary landowner in Waipio Valley, can and will sell its holdings, it would be desirable to acquire them as public lands, provided that funding is also provided to properly manage these lands.

Because of flooding problems in Waipio Valley, the land boundaries are constantly changing. As a result, the Bishop Museum does not have an accurate appraisal of its holdings; therefore, the State is unable to take further action in offering to purchase Bishop Museum's holdings.

By holding a public hearing on this bill in Honokaa (on the Big Island), instead of at the State Capitol, your Committee hoped to receive broad community input in determining how best to preserve Waipio Valley. During the public hearing, residents and small landowners of Waipio Valley recognized the importance of preserving the beauty of the valley. At the same time, they realized a number of concerns including whether the State intended to take over their interests in their farms and homes.

Your Committee has taken these concerns into consideration in amending this bill to change the focus of this measure. The bill, as amended, would:

- (1) Establish a temporary Committee to Preserve Waipio Valley consisting of 11 members, representing federal, state, county, and community interests. The purpose of this Committee would be to evaluate a variety of issues related to the purchase and management of Waipio Valley;
- (2) Appropriate \$200,000 for the Department of Land and Natural Resources to conduct a land survey of Waipio Valley;
- (3) Appropriate \$50,000 for the Committee to conduct a study so that it can prepare an action plan to be submitted to the Legislature; and

- (4) Appropriate \$50,000 for stream drainage and maintenance work.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2791, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Kanoho, Hemmings and O'Kieffe.

SCRep. 369-90 Water and Land Use on H.B. No. 2492

The purpose of this bill is to ensure the provision of long-term leases to certain permittees of agricultural land by eliminating the required cost of surveys that is currently payable by the permittees.

Under Act 237, Session Laws of Hawaii (SLH) 1988, the Department of Land and Natural Resources is authorized to negotiate long-term leases under specific terms, conditions, and restrictions with certain permittees of agricultural land. One of the conditions is the requirement that the Department recover, from the lessee-to-be, the cost of surveying the parcel incurred by the Department. The problem is that preliminary survey cost estimates for 51 parcels, to date, have ranged from \$1,200 to \$75,000; and the total cost to survey all parcels qualified under Act 237, SLH 1988, is approximately \$500,000. If nothing is done to remedy this situation, many of the permittees may be deterred from applying for long-term leases.

This bill proposes to resolve this problem by deleting the requirement that the Department recover from the lessee the cost of surveying the parcel. Second, this bill also appropriates \$500,000 to allow the Department to pay for the surveying costs that would otherwise be passed on to the permittees. Third, this bill would change the repeal date of Act 237, SLH 1988, from July 1, 1991 to July 1, 1992.

The Department of Land and Natural Resources supported this bill.

Your Committee on Water and Land use is in accord with the intent and purpose of H.B. No. 2492 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 370-90 Health on H.B. No. 2899

The purpose of this bill is to amend Chapter 333F, Hawaii Revised Statutes, to authorize the Department of Health to establish and administer special funds for Medicaid community programs servicing the developmentally disabled/mentally retarded. At the present time, the authority for the department to do so has been expressed in Act 342/87, but is not included in the statutes as revised.

This bill will facilitate the implementation of Medicaid community programs.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2899 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 371-90 Intergovernmental Relations and International Affairs on H.B. No. 1304

The purpose of this bill is to develop a series of 30-minute educational and informational video productions to promote Hawaii's international role.

Your Committee finds that the proposed video series would augment existing educational programs within our school system, and that such a series has the endorsement of the Board and Department of Education. This project also has the commitment of our teachers to use the series in their classrooms, and has proven to be a successful, innovative way of educating students about Hawaii as well as the world around them.

Your Committee is committed to promoting international literacy, especially in the young people of Hawaii, and this measure is consistent with this goal.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 1304, 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 except Representative Tajiri.

SCRep. 372-90 Intergovernmental Relations and International Affairs and Tourism on H.B. No. 3277

The purpose of this bill is to provide the counties with stable and continuing sources of revenue that relate to functions the counties already perform, and to revenue sources already used by the counties. Specifically, the provisions of this bill include the transfer to the counties of the revenues collected from the transient accommodations tax; animal fines and forfeitures relating to dog licenses; all unadjudicated and one-half of adjudicated traffic fines and forfeitures; and a portion

of the public service companies tax. This bill also exempts the county governments and government service companies from the state general excise tax.

Your Committees find that the counties are in need of stable, long term, predictable sources of funding which would enable them to meet their financial needs. Presently, the counties must come before the legislature each year to request financial assistance. This process inhibits the counties from fulfilling the ever-increasing needs for services and infrastructure generated by their citizens. Also, not knowing what funding they will be receiving from year to year, the counties are unable to do any long-range planning.

The funding mechanisms proposed in this bill are predictable, flexible, and permanent, and would generate sufficient revenues to meet the needs of the counties. With the additional revenues provided in this bill, the counties would not have to depend on securing state funds every year. They would be given the flexibility and independence to function as responsible, prudent local governments, including the formulation of long range plans. Further, this measure would provide the counties with funding that is more compatible with their responsibilities and financial needs.

Your Committees have previously heard measures which are similar to parts of this bill. For the purposes of consistency, your Committees have made the following amendments:

(1) deleted the language of this bill relating to the transfer of the transient accommodations tax to the counties, and replaced it with the provisions of H.B. 2382;

(2) deleted the language of the bill relating to the transfer of a portion of the public service companies tax, and replaced it with the provisions of H.B. 2094 H.D. 1; and

(3) deleted the section relating to the exemption of government service companies from the general excise tax. Your Committee previously heard and passed a bill which addressed this same issue.

Your Committees have also amended the bill to limit the counties' exemptions from the general excise tax to gross income and gross proceeds of sales of tangible personal property, and to transfer only unadjudicated traffic fines to the counties. Your Committees have also clarified that all traffic fines and forfeitures collected as a result of citations issued by State enforcement officers shall remain with the State.

Your Committees have also made technical, non-substantive amendments for the purposes of clarity and style.

Your Committees find that this measure, as amended, provides desirable, equitable, and feasible means of providing funding to the counties.

Your Committees received testimony in support of this measure from the City and County of Honolulu, the County of Kauai, the Department of Finance of the County of Hawaii, the Hawaii Hotel Association, GTE Hawaiian Telephone Company Incorporated, and the Hawaii Business League.

Your Committees on Intergovernmental Relations and International Affairs and Tourism are in accord with the intent and purpose of H.B. No. 3277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Tajiri.

SCRep. 373-90 Health on H.B. No. 3330

The bill authorizes the Department of Health to provide support services to families and caregivers of persons with developmental disabilities, who live in community-based private homes.

Your Committee received testimony from the State Planning Council on Developmental Disabilities, Kapiolani Medical Center for Women and Children's Rehabilitative Services, Commission on Persons with Disabilities, Department of Health, Protection and Advocacy Agency of Hawaii and a few individuals in support of this measure.

Your Committee found that families with family members who are developmentally disabled have costly specialized needs in addition to typical family expenses. Current financial assistance available to families falls far short of the total needed to cover the costs for equipment, home and vehicle modifications, counseling, and personal care services a family may require.

Your Committee is in agreement that this bill is needed to empower the Department of health to move from a demonstration project to a public statement of an alternative method of meeting the needs of persons with developmental disabilities and their families. The Department of health wishes to provide services statewide and offer support services to 225 families.

Your Committee eliminated the appropriation as the Department of Health requested that the funding requested not replace the Administration's current priorities as indicated in the Executive Supplemental Budget.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3330, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 374-90 Health on H.B. No. 2943

The purpose of this bill is to allow certification of a person who is totally disabled by a qualified duly licensed out-of-state physician.

This bill amends the law by broadening the scope as to which qualified physicians will be able to certify a person's total disability. At present the certification of a person's total disability must be made by those physicians licensed under chapter 453 and/or chapter 460 of the Hawaii Revised Statutes. This change in the law will allow military doctors and out-of-state specialists, in particular, to submit certifications and to reduce the burden on the taxpayer to obtain a certification solely from a physician licensed in Hawaii.

Your Committee heard testimony from the Department of Taxation in support of this measure.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2943 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 375-90 Health on H.B. No. 2900

The purpose of this bill is to authorize the use of Waimano Training School and Hospital as a respite care facility to eligible individuals with developmental disabilities in special circumstances.

Your Committee received testimony in support of this bill from the Department of Health, the Commission on Persons with Disabilities, the Kapiolani Medical Center for Women and Children, the State Planning Council on Developmental Disabilities, and the Protection and Advocacy Agency of Hawaii.

It is uniformly recognized that respite care services for persons with developmental disabilities are urgently needed and existing resources do not adequately meet this need. The proposed use of Waimano Training School and Hospital as a respite care facility will help to fill the present gap. However, your Committee stresses that this use of the Waimano facility is only part of a continuum of respite services which needs to be developed for the developmentally disabled.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2900 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 376-90 Health on H.B. No. 2368

The purpose of this bill is to exempt disabled persons from the payment of meter parking fees.

Your Committee received testimony in support of this bill from the Protection and Advocacy Agency of Hawaii, Paralyzed Veterans of America, the Department of Defense of the State of Hawaii, and several disabled persons.

The testimony indicated that many disabled persons not only have difficulty feeding meters but also have difficulty getting back to their vehicles when their parking time is about to expire. The testimony also indicated that disabled persons are currently exempt from having to pay meter parking fees at City and County of Honolulu lots.

Your Committee received testimony against the bill from the Commission on Persons with Disabilities and the Department of Accounting and General Services.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2368 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 377-90 Health on H.B. No. 2696

The purpose of this bill is to authorize the Department of Health to certify Developmental Disabilities Domiciliary Homes for individuals with developmental disabilities or mental retardation, who are unable to live independently and require supervision and care in a domiciliary setting.

Your Committee received testimony from the Department of Health, the Department of Human Services, the Commission on Persons with Disabilities, and the Association for Retarded Citizens of Kauai and Hawaii.

Your Committee has adopted the recommendations of the Department of Health by making the following amendments:

1. Replace "Certification" authorization by "licensure" to provide regulatory standards to ensure quality, and thus affecting Section 1. (a) line 5 on page 1, "certify" to "license"; Section 1. (c) (2) line 3 on page 2, "certified" to "licensed"; Section 1. (c) (3) line 3 on page 2 "certification" to "licensure"; Section 1. (c) (5) line 10 on page 2 "certified" to "licensed"; Section 1. (e) line 14 on page 2 "certified" to "licensed."

2. Add to Section 1 (a) line 9 on page 1, "but do not require care by licensed nurses" to further clarify the service group.

3. Delete in Section 1 (f) line 20 on page 2 "Level of care determined is separate from basic room and board payments" to eliminate conflict with level of care payments which include room and board.

4. Amend Chapter 321-15.6 (c) to make existing statues compatible with the passage of this bill by deleting "(i.e., first aid cardiopulmonary resuscitation, and nutrition training as a minimum"; and add "All adult residential care homes caring for persons with developmental disabilities or mental retardation shall be certified as having completed modules of training in developmenatl disabilities, approved by the department by January 1, 1994." to ensure quality of care to such individuals and achieving regulatory standards to be set forth under this measure.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2696, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 378-90 Health and Education on H.B. No. 2671

The purpose of this bill is to provide funds for an educational pilot project to provide for a summer in-service training institute for teachers based on the model of the Waianae Coast peace education program.

Your Committee heard testimony in support of this bill from the Department of Health, University of Hawaii Institute for Peace, Wai'anae Coast Community Mental Health Center Inc., Peace Education Committee of the Taskforce on the Reduction of Stress and Violence., Hawaii State Teachers Association, American Friends Service Committee, and an individual from the Waianae Community. Testimony in opposition was received from the Department of Education.

Your Committee is in favor of such a program and would like to see the pilot program start in the Wai'anae area where there presently is support for peace education.

Your Committee finds that a plan to promote a healthy environment and world peace is a high priority 1990 objective of the Governor's conference on the health promotion and disease prevention. Your Committee further finds that this objective may be accomplished by providing training opportunities for teachers.

Your Committees on Health and Education are in accord with the intent and purpose of H.B. No. 2671, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2671, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Apo, Bunda, Hashimoto, Hemmings and O'Kieffe.

SCRep. 379-90 Water and Land Use and Judiciary on H.B. No. 3296

The purpose of this bill is to extend the protection of law to prehistoric unmarked Hawaiian burial sites found in the State through the establishment of procedures that would address Hawaiian cultural and religious beliefs as well as the legal rights and interests of private landowners.

Modeled after the Na Ala Hele trails program following the failure to resolve disagreements over S.B. No. 1787 during the 1989 session, this bill is in response to the need for the sensitive treatment of Hawaiian burial sites through cooperative and shared decision-making with representatives of the Hawaiian community.

Specifically, this bill would:

- (1) Create five island burial councils within the Department of Land and Natural Resources to determine whether preservation in place or relocation of previously identified Hawaiian burial sites is warranted;
- (2) Require the Department to supervise the evaluation and management of burial sites;
- (3) Provide an appeals process with a panel composed of three island council chairs and three members of the Board of Land and Natural Resources;
- (4) Increase the penalty provisions for any violations under Chapter 6E, HRS;
- (5) Prohibit the sale or exchange of human skeletal remains or burial goods;
- (6) Require a permit from the Department for out-of-state transport of human skeletal remains or burial goods; and
- (7) Appropriate funds to carry out these purposes.

Your Committees received testimony in support of this bill from the Department of Land and Natural Resources, Hui Malama I Na Kupuna O Hawai'i Nei, the Native Hawaiian Legal Corporation, and the Oahu Island Council on Burial.

Your Committees also received testimony from Hawaii Resort Developers Conference, Land Use Research Foundation of Hawaii, Moloka'i Island Council on Burials, Bishop Museum, and the office of Hawaiian Affairs (OHA).

A major concern that surfaced during the hearing pertained to the total exclusion of OHA as a principal participant in the proceedings and what constitutes a significant burial site. Because of the constitutional and legal mandates charging and empowering OHA as the principal agency to represent Native Hawaiian interest, this bill was accordingly amended in several sections to include OHA as well as other appropriate Hawaiian organizations, such as Hui Malama I Na Kupuna O Hawai'i Nei, including the section relating to development of criteria for determining a "significant" burial site.

The amendments made by your Committees are as follows:

- (1) Section 2, island burial councils, paragraph (b): added that a minimum of twenty percent of the representatives to the island burial councils shall be appointed by the Governor from a list of at least nine candidates provided by OHA, and that the list provided by the Department be developed in consultation with Hawaiian organizations, such as Hui Malama I Na Kupuna O Hawai'i Nei;
- (2) Section 2, island burial councils, paragraph (c): replaced the councils with the Department of Land and Natural Resources as charged with adoption of rules pursuant to chapter 91 to carry out the purposes of the section, in consultation with the councils, OHA, and other appropriate Hawaiian organizations, such as Hui Malama I Na Kupuna O Hawai'i Nei;
- (3) Section 2, island burial councils, paragraph (f): added a new subparagraph (5) charging the councils to maintain a list of Hawaiian organizations, agencies, and offices to notify regarding the discovery of remains;
- (4) Section 2, inadvertent discovery of burial sites, paragraph (b): included OHA with the appropriate island burial council as parties the Department shall notify of findings;
- (5) Section 2, inadvertent discovery of burial sites, subsection (c)(3): referenced the consultation of all parties cited under Section 2, island burial council, paragraph (a);
- (6) Section 2, inadvertent discovery of burial sites: deleted paragraph (c)(4) since it was inserted under Section 2, island burial councils, new paragraph (f)(5);
- (7) Section 2, inadvertent discovery of burial sites, paragraph (e)(1): clarified that delays which are justifiable and resulting from the discovery of burials shall not count against any contractor's completion date agreement;
- (8) Section 7, penalties, paragraph (d): adds "natural or corporate" as any person who violates the provisions of Section 6E-11;
- (9) Section 12, prehistoric and historic burial sites, subsection (b): referenced the consultation of all parties cited under Section 2, island burial council, paragraph (a); and
- (1) Section 15, expending agency: authorized the hiring of necessary personnel to carry out the purposes of the Act.

Your Committees on Water and Land Use and Judiciary are in accord with the intent and purpose of H.B. No. 3296, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3296, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hashimoto, Hemmings and O'Kieffe.

SCRep. 380-90 Human Services on H.B. No. 2582

The purpose of this bill is to appropriate funds for emergency shelters and programs of health care, child care, employment training, and information and referral to employment and social services to assist the homeless in returning to independence.

Your Committee received testimony favorable to this measure from the Department of Human Services, the Office of Children and Youth, the Department of Health, the Office of Hawaiian Affairs, the Commission on the Status of Women, the Institute for Human Services, Salvation Army, 'Aina Kupa'a O Maili, the Protection and Advocacy Agency, Homeless Aloha, the East Hawaii Coalition for the Homeless, and private citizens.

Your Committee finds that the problem of homelessness is severe and growing, especially in the numbers of working and single parent families with small children, far beyond the capacities of private agencies to provide shelter and programs. This clear danger to the health, welfare, and safety of Hawaii's families now requires substantial governmental action.

Your Committee has amended this bill to include a request of the Governor to so constitute the existing Homeless Committee of the Sub-Cabinet Task Force as to include the chairs of affected Legislative Committees, representatives of private provider agencies, and representatives of the homeless.

Your Committee has further amended this bill to include funding to allow the Department of Human Services to add staff to develop and monitor contracts with private providers, to retain consultant services, to establish an emergency loan fund, and make grants-in-aid to private providers, and funding to allow the Department of Health to add staff to effect a

program of street outreach and first response care for homeless families and make a grant-in-aid for mobile health service. Further, funding was added to allow grants-in-aid by the Department of Labor and Industrial Relations and the Department of Corrections

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Duldulao, Leong, Shon, Tam, Cavasso and Liu.

SCRep. 381-90 Human Services on H.B. No. 3356

The purpose of this bill is to assist state inmates to develop skills so that these individuals can become productive and contributing members of society, while at the same time providing much-needed assistance to the State's economy. This bill creates a corrections special fund to support a program to train inmates in construction occupations.

Your Committee has amended this bill by inserting an appropriation of \$240,000.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3356, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 382-90 Human Services and Judiciary on H.B. No. 2078

The purpose of this act is to appropriate funds to establish pilot projects at recreation centers such as the Kalakaua Gym and at Kalihi Valley and Waipahu which would provide a comprehensive youth program involving organized recreational activities such as athletics, arts and crafts, and music as well as educational programs and counseling services.

Your Committees received testimony favorable to this measure from the Office of Children and Youth, the Office of Youth Services, the Department of Education, the Juvenile Justice Interagency Board, the Kalihi Action Network, the Department of Health, a Councilmember of the City and County of Honolulu, and the Prosecuting Attorney of the City and County of Honolulu.

Your Committees find that membership in youth gangs in Hawaii is growing at an alarming rate, and can be correlated with a lack of alternative activities to meet youths needs for comfort, security, and a positive self-image. It has been demonstrated elsewhere that constructive activity programs, designed to capture the interest of youth, can be an effective deterrent to youth gang involvement.

Your Committees have amended this measure by adding the amount to be appropriated.

Your Committees on Human Services and Judiciary are in accord with the intent and purpose of H.B. No. 2078, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2078, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews, Bellinger, Cachola, Hagino, Kawakami, Takamine, Yoshimura, Anderson and Liu.

SCRep. 383-90 Human Services on H.B. No. 3455

The purpose of this act is to raise the medicaid income eligibility standard to the maximum allowed under federal law, to allow more individuals and families to obtain medical coverage.

Your Committee received testimony favorable to this measure from the Department of Human Services, the Department of Health, the Committee on Welfare Concerns, the Honolulu Community Action Program, the Life Foundation, and the Hawaii Public Health Association.

Your committee finds that, despite recent programs developed to insure medical care for more of Hawaii's citizens, there still exists a gap group, the working poor who earn too much to be covered as public assistance recipients, but who have no coverage through employment, or those on fixed low incomes.

Your Committee has amended this bill by increasing the sum to be appropriated, by deleting conflicting language, and by designating the Department of Human Services as the expending agency.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3455, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384-90 Human Services on H.B. No. 2046

The purpose of this bill is to provide long-term care assistance to the elderly gap group. More specifically, this bill would expand the community long-term care program to include coverage of the elderly gap group without a cost-sharing requirement and expand coverage in the community long-term care program to include adult day care, homemaker services, and respite care.

Your Committee received testimony in general support of the measure from the Department of Human Services, the Department of Health, the Executive Office on Aging, the American Association of Retired Persons, the National Association of Retired Federal Employees, the Founders Group of the Kokua Council, and the National Association of Social Workers. However, several testifiers noted problems related to the implementation of the bill, as presently written.

Upon further consideration, your Committee has completely amended the bill to provide long-term care services by supporting family caregivers, assuring safe and adequate care to elders, and providing grants to renovate and improve existing facilities used to deliver services through senior centers, meal sites, and other facilities for adult day care and day health programs. Your Committee believes that the bill, as amended, will provide cost effective service options for our elders.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2046, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2046, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 385-90 Intergovernmental Relations and International Affairs on H.B. No. 2332

The purpose of this bill is to address concerns of the liquor commissions, the liquor industry, and the general public, and to update liquor laws by amending archaic language.

Your Committee finds the Honolulu Liquor Commission has made sweeping changes to its policies and procedures in response to concerns expressed by the general public, the liquor industry, and the various liquor commissions. This measure is an attempt to address those concerns and is the result of many months of meetings and conferences between the liquor industry, the Liquor Commission staff, and the neighbor island liquor commissions.

Your Committee has amended the bill to allow establishments with cabaret licenses to provide entertainment, provided that under no circumstances shall this entertainment include any nudity.

Your Committee received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu, the Hawaii Hotel Association, the Liquor Dispensers and Hawaii Food and Beverage Association, and the Retail Liquor Dealers Association of Hawaii.

Your Committee on Intergovernmental Relations and International Affairs is in accord with the intent and purpose of H.B. No. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2332, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Tajiri.

SCRep. 386-90 Intergovernmental Relations and International Affairs and Consumer Protection and Commerce on H.B. No. 2267

The purpose of this bill is to require that all investment in real property by non-resident aliens be disclosed to the Director of Commerce and Consumer Affairs (Director). The bill also provides for the preparation of, by the Director, an annual report on the nature and extent of this type of investment, to be submitted to the Legislature twenty days prior to the convening each regular session.

Your Committees find that investment from outside of Hawaii is essential to our State's economy and it is not the intent of your Committees to discourage stable, long-term investments which strengthen Hawaii's economy. On the other hand, excessive and wasteful speculation of Hawaii's resources is harmful to the State, and those who would exploit these limited resources must be discouraged and stopped.

While it may be clear as to what types of investments are beneficial for the State and what types of investments are undesirable, accurate figures and information on the present scope and composition of foreign investment are difficult to obtain. A comprehensive system of obtaining information on foreign investment is essential to ensure that decision makers and the public are well-informed.

Toward this end, your Committees find that the most complete and efficient approach to obtaining information on foreign investment involves modifying and mobilizing mechanisms that already exist.

After deliberation, your Committees have made the following amendments:

- (1) Emphasized the need for cooperation between government agencies to fulfill the intent of the measure to provide a comprehensive disclosure package without creating additional bureaucracy;

- (2) Added an appropriation of \$100,000 to the Department of Business and Economic Development to prepare an annual report on the state of foreign investment in Hawaii using existing material from federal, state, and county governments as well as private sources;
- (3) Required the counties to compile information from their real property tax data base to collect information on foreign ownership of real property, and added an appropriation of \$200,000 to the counties for this purpose, pursuant to the constitutional requirement that the State provide necessary support for state-mandated programs.

At the same time, your Committees would expect the counties to provide some level of support to this effort as well. Because the issue of foreign investment in Hawaii affects everyone and is of tremendous impact to all of us, the counties should be equally responsible and committed to supporting this effort.
- (4) Added a definition of "non-resident alien," to ensure that the statutory provisions affect the appropriate individuals and companies;
- (5) Appropriated \$200,000 to the Department of Commerce and Consumer Affairs to undertake a comprehensive baseline review of corporate ownership in Hawaii by nationality of shareholders, utilizing their current business registration system; and
- (5) Appropriated \$1 to the University of Hawaii's Real Estate Research and Education Center to update its report on real estate transactions.

This bill, as amended, represents an opportunity to lay aside our guesses and fears about foreign investment in Hawaii and develop a solid base of information. This measure will allow the State to develop informed and effective policies and responses to foreign investment in Hawaii.

Your Committees on Intergovernmental Relations and International Affairs and Consumer Protection and Commerce are in accord with the intent and purpose of H.B. No. 2267, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Tajiri and Anderson.

SCRep. 387-90 Intergovernmental Relations and International Affairs and Human Services on H.B. No. 2381

The purpose of this bill is to appropriate funds for the planning, development, and coordination of a statewide program for the provision of services to control violent behavior.

This measure is a natural progression from Act 361, Session Laws of Hawaii 1989, which requires the Office of State Planning (OSP) to develop a statewide plan to control violent behavior. This would provide necessary continued support for OSP towards this end.

In order to remain consistent with the task required of OSP under Act 361, SLH 1989, your Committees have amended the bill to require OSP to develop and plan a coordinated statewide program.

Your Committees have further amended the bill to appropriate \$140,583 to be expended by the Office of State Planning; provided that of that sum, \$80,000 shall be allocated to the Department of the Attorney General for the development of a statewide training program for the police departments of each of the counties, and may be allocated directly to the police departments for expenditure.

Testimony in support of this measure was submitted by the Office of State Planning, the Department of the Prosecuting Attorney, and the Commission on the Status of Women.

Your Committees on Intergovernmental Relations and International Affairs and Human Services are in accord with the intent and purpose of H.B. No. 2381, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2381, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 388-90 Water and Land Use on H.B. No. 2981

The purpose of this bill is to assist the Hawai'i Nature Center in the expansion of its services to the people of Hawaii.

Your Committee is in agreement that the Hawai'i Nature Center provides an invaluable service to the State in teaching children and adults about the value of the State's natural environment. Furthermore, your Committee agrees that the Hawai'i Nature Center can increase its services to outer islands with state support, while remaining primarily a privately-financed and a non-profit organization.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2981 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 389-90 Human Services on H.B. No. 2303

The purpose of this bill is to assist the people of Hawaii to improve their financial situations and to realize their hopes and dreams. This will be made possible by making amendments to the state tax law to reduce personal income taxes.

Your Committee finds that recent federal tax law changes, economic trends, and inflation require a reduction to personal income taxes to ensure an equitable tax system. Accordingly, your Committee finds that amendments to Hawaii's tax law are necessary to improve the quality of life for the people of our State.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2303 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. 390-90 Human Services on H.B. No. 2603

The purpose of this bill is to seek a state-funded grant or subsidy to supplement institutional health care reimbursements for providers of inpatient care services in Hawaii.

The bill has been amended to ensure that the passage of this measure will not jeopardize federal matching funds. The sum of \$1 has been inserted as the amount to be appropriated for the purposes of this Act. Other technical, nonsubstantive amendments have been 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. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2603, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 391-90 Judiciary and Human Services on H.B. No. 3355

The purpose of this bill is to provide funding for the Child Protective Services system to achieve a more efficient and effective system for protecting our children.

Your Committee understands that one of the goals of the Department of the Attorney General, Department of Human Services, and the Family Court is to establish the most efficient and effective system for handling child protective proceedings. Your Committee, therefore, believes that careful planning by the various agencies and concerned individuals, both public and private, is required if we hope to make lasting, quality improvements in the system.

Testimony was received from spokespersons representing the Department of the Attorney General, Department of Human Services, Department of Health, Office of Children and Youth, Legal Aid, and community groups. While the majority of the testimony was in favor of the bill, your Committee concurs with the concerns raised by the spokesperson for Legal Aid.

Your Committee does not feel that the proposals contained herein are of sufficient merit to warrant continuing consideration.

Your Committee remembers that the DHS Advisory Committee on Child Abuse and Neglect was established at the last legislative session by HBCR 215 D1. The resolution required DHS to establish and obtain a report from an advisory committee consisting of various agencies and individuals involved in the issue of child neglect in the community. Initially the DHS committee was to report to the 1990 Legislature. DHS, however, in establishing their priorities, did not convene the first advisory committee meeting till fall 1989. In order to comply with the reporting deadline set out in HBCR 215, DHS came to the Legislature, requested and obtained a delay of one year, to 1991 for the DHS committee report.

Your Committee understands that although DHS has assisted the advisory committee in so far as arranging its meetings and supplying support assistance, the department has made virtually no effort to keep the advisory committee apprised or involved in its legislative efforts this session. Several committee members have expressed concern that the advisory committee is not operating effectively because of the lack of information being transmitted by DHS to the committee regarding events in the Legislature.

Your Committee amends this bill and awards the amount of \$1 for each expending agency to be appropriated in furtherance of this Act.

Your Committees on Judiciary and Human Services are in accord with the intent and purpose of H.B. No. 3355, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3355, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bellinger, Chang, Duldulao, Hirono, Kawakami, Leong, Oshiro, Peters, Yoshimura, Anderson, Cavasso and Liu.

SCRep. 392-90 Judiciary on H.B. No. 2714

The purpose of this bill is to appropriate funds for fiscal year 1990-1991 for the hiring of additional police officers for the City and County of Honolulu and the counties of Hawaii, Maui, and Kauai.

Testimony was received from the Department of the Attorney General and the State of Hawaii Organization of Police Officers.

Your Committee finds that the police departments of the counties are having difficulty coping with the demands of their growing communities. Testimony presented indicates that police forces are currently overburdened and in need of additional manpower. Funding for additional officers will allow the police departments of the counties to improve their crime-fighting abilities to ensure the safety and well-being of the public.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2714, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews and Cachola.

SCRep. 393-90 Judiciary and Human Services on H.B. No. 3413

The purpose of this bill is to provide funds for a training academy to support the statewide operations of the Department of Public Safety.

Your Committees believe that training for personnel within the Department of Public Safety should be standardized and consolidated so that uniform procedures may be applied throughout our state. Your Committees also believe that the proposed Department of Public Safety Training Academy will provide basic and in-service training to all law enforcement, corrections, security, and other public safety-related staff employed by the Department.

Your Committees understand that the appropriation of funds will be used to construct residential and training facilities, consolidate all training staff and programs into one organizational unit, rent and equip interim facilities, and provide sufficient staff to operate the Academy.

Your Committees support the concept of the proposed Public Safety Training Academy and has amended the measure by appropriating \$1 for the siting, land acquisition, planning, and design of a Public Safety Training Academy, and \$1 for the establishment of an interim training academy.

Your Committees on Judiciary and Human Services are in accord with the intent and purpose of H.B. No. 3413, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3413, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Andrews, Chang, Duldulao, Hirono, Leong, Peters, Yoshimura, Anderson, Cavasso and Liu.

SCRep. 394-90 Judiciary on H.B. No. 3454

The purpose of this bill is to appropriate funds to the counties to enable them to maintain and further develop community crime prevention programs, and to hire support staff for these programs.

Your Committee finds that crime prevention cannot be the responsibility of the police department alone, and must involve vigorous community involvement and education. Further, such programs contribute to the partnership between the police and the community, with both working together to provide a safe and secure environment. The funds appropriated by this measure will enable the police departments to meet the growing demands of existing programs, and assist the development of new programs.

Your Committee has amended the funds to be appropriated by this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3454, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3454, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Bellinger, Okamura, Peters, Shon, Yoshimura, Anderson and Cavasso.

SCRep. 395-90 Human Services on H.B. No. 3385

The purpose of this act is to assist the Pilot Outreach Program of the Office of Children and Youth by providing for a Program development outreach specialist to serve the literacy needs of the people on the island of Hawaii.

Your Committee received testimony favorable to this measure from the Office of Children and Youth and many private citizens.

Your Committee finds that the Governor's Council for Literacy has established Literacy Coalitions in each county of the state. Awareness of the problem has spread, and partnerships developed between public and private sectors. At this point, need has been identified for an outreach specialist to work with the coalitions in defining needs, potential program sites, and possible programs.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3385 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. 396-90 Human Services on H.B. No. 3329

The purpose of this act is to provide funds for a child care resource lending center to help family child care providers start up their programs by loaning them child care equipment.

Your Committee received testimony favorable to this measure from the Office of Children and Youth, People Attentive to Children, the Professional Child Care Association, and private citizens.

Your Committee finds that a critical need exists for responsible child care facilities for young children, while start-up costs for equipment deter many able persons from entering the field. The moderate expenditure proposed by this measure would appreciably increase the services available to working parents while helping ensure safe, quality facilities.

Your Committee has amended this bill by adding the sum to be appropriated and designating the Office of Children and Youth as the expending agency.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3329, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 397-90 Human Services on H.B. No. 2904

The purpose of this bill is to implement the Job Opportunity and Basic Skills (JOBS) Program in the State of Hawaii.

Your Committee heard testimony in support of this bill from the Office of Children and Youth, the Departments of Human Services and Labor and Industrial Relations, and the Community on Welfare Concerns.

The Department of Human Services testified that the JOBS program represents a major change in the approach to welfare within the United States and establishes the goal of financial self-sufficiency for those recipients of Aid to Families with Dependent Children (AFDC). The program is proposed to be established as a mandatory work program for certain applicants and recipients of AFDC consistent with federal regulations and requirements under Title IV-F of the Social Security Act, Public Law 100-485.

The Department of Labor and Industrial Relations testified that it is committed to working closely with the Department of Human Services in the planning and implementation of the program. The Department of Labor and Industrial Relations added that the program will provide needed employment-related activities and support services such as: assessment; education; job skills training; job readiness; job search and job placement services; work/study; work experience; child care; transportation; and other supportive help.

The Committee on Welfare Concerns, however, pointed out that the bill needs to emphasize a stronger commitment to involve the participant in decision-making.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Provided for participant involvement and approval with regard to transportation and transitional benefits; and
- (2) Included an evaluation and reporting component.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2904, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 398-90 Human Services on H.B. No. 2905

The purpose of the bill is to eliminate the automatic repeal of Act 381, Session Laws of Hawaii 1989, pertaining to Dependent Adult Protective Services.

Your Committee received testimony in support of the bill from the Executive Office on Aging, the Department of Human Services, Child and Family Service, and the American Association of Retired Persons.

The testimony indicated that if the "drop-dead provision" is not repealed, the State will have no legislation pertaining to adult abuse, neglect, or exploitation as of June 30, 1993.

The testimony also indicated that the temporary nature of Act 381 prevents the Department of Human Services from establishing permanent staff positions to carry out the mandates of the Act. Temporary staff positions are difficult to fill and are subject to a high turnover rate.

Your Committee is concerned about whether the Department of Human Services will be able to find qualified applicants for the permanent positions which it proposes to create, and hopes that these new positions will not exacerbate the worker shortage already experienced in the child protective service area.

Notwithstanding these concerns, your Committee finds that it is in the public's best interest to continue the provision of protective services to adults under Act 381, Session Laws of Hawaii 1989.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2905 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. 399-90 Human Services on H.B. No. 3357

The purpose of this bill is to ensure that the recommendations contained in the Legislative Auditor's report, entitled, Study and Plan for Maximizing Federal Medicaid Funds for Hawaii, are implemented.

Your Committee received testimony in support of this bill from the Departments of Human Services and Health; the Committee on Welfare Concerns; the Hawaii Public Health Association; the Honolulu Community Action Program, Inc.; and the Kalihi-Palama Health Clinic.

However, the Department of Human Services recommended that the proposed actual cost increase in the State's medicaid reimbursement rate for clinic services be applicable to all providers, rather than just Department of Health providers.

The Department of Health indicated the need for administrative planning costs, including the hiring of three staff members, in order to implement medicaid option changes.

The Hawaii Public Health Association recommended that a purpose clause be added so that justification for the bill would be clear.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Clarified that the purpose of the bill is to ensure that the Legislative Auditor's recommendations regarding the maximization of federal medicaid funds for Hawaii are implemented;
- (2) Clarified that the proposed actual cost increase in the State's medicaid reimbursement rate for clinic services shall be applicable to all providers;
- (3) Appropriated \$110,000 to the Department of Health for administrative planning costs attendant to the implementation of medicaid option changes;
- (4) Indicated that moneys appropriated for increasing federal medicaid options shall be expended by the Department of Human Services; and
- (5) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3357, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 400-90 Human Services on H.B. No. 2576

The purpose of this act is to appropriate funds for the expansion of the Resources and Early Access to Learning program.

Your Committee received testimony favorable to this measure from the Office of Children and Youth, the Department of Health, the University of Hawaii, the National Association of Social Workers, People Attentive to Children, the Hawaii Association for the Education of Young Children, the Hawaii Association for Infant Mental Health and many private citizens, including parents whose children were participants in the program.

Your Committee finds that programs such as this, that combine learning activities for children and parents, result in almost immediate benefits in family harmony and parental competence, precursors to improved mental health. In this particular project, the effect is enhanced by the active participation of two agencies, effecting a daily working relationship between educators and mental health workers.

Your Committee has amended this bill to reflect their desire that the Office of Children and Youth be designated as the lead agency for coordination and dissemination of information regarding family support projects.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2576, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2576, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 401-90 Judiciary on H.B. No. 2841

The purpose of this bill is to create an Advisory Commission on Structured Sentencing.

The purpose of the Commission is to develop a statewide policy on structured sentencing, so that defendants with similar criminal histories will receive similar sentences. In addition, the Commission should also take into consideration the fact that the present prison system is crowded and more effective prison population management strategies are needed.

Your Committee is in agreement that an Advisory Commission on Structured Sentencing may be helpful in devising statewide sentencing guidelines, whereby prison sentences will be reserved to those offenders who truly deserve such sentences, and less dangerous offenders may be placed in facilities which do not require them to associate with hardened offenders.

Your Committee has amended this bill by requiring the Legislative Reference Bureau to conduct research on the prison management systems presently in effect in other states, including, but not limited to, the states of Minnesota, California, Georgia, Florida, New York, Oklahoma and South Carolina and to report its findings to the Legislature before July 1, 1991. Your Committee has also amended this bill by requiring the Commission to consider the study of the Legislative Reference Bureau. Your Committee has also amended this bill by appropriating a sum of \$50,000.00 to the Legislative Reference Bureau to conduct the research and report its findings.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2841, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 402-90 Housing on H.B. No. 3238

The purpose of this bill is to make an appropriation for a study of innovative housing techniques using energy efficient building designs, water-saving devices, and alternative energy devices.

Your Committee received testimony in support of this bill from the Housing Finance and Development Corporation (HFDC). However, HFDC requested that the appropriation be increased in order to finance and publicize housing fairs which would demonstrate innovative techniques in each of the counties.

Your Committee also received testimony in support of this bill from the Department of Business and Economic Development which pointed out that it was already working with HFDC on innovative housing technique projects.

The bill has been amended by raising the appropriation amount to \$200,000.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 403-90 Judiciary on H.B. No. 2864

The purpose of this bill is to increase the annual maximum compensation for the commissioners from \$6,600 to \$10,000 per year and to appropriate \$15,000 for this purpose.

Your Committee finds that in the previous legislative session, the daily compensation of the commission members was increased from \$50 to \$100. However, the annual maximum compensation was not increased. The present annual maximum of \$6,600 limits the commission to 66 meetings per year. In 1988, the commission conducted 60 meetings and it is anticipated that the workload of the commission will be increasing significantly in the coming years.

Your Committee recommends that the annual maximum compensation should be increased to allow the commission to service victims in a timely manner.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2864 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 404-90 Housing on H.B. No. 2888

The purpose of this bill is to transfer the elderly housing revolving fund as well as all assets and management of elderly housing projects developed by the Housing Finance and Development Corporation (HFDC) from HFDC to the Hawaii Housing Authority.

In order to provide for such a transfer this bill amends §359, Hawaii Revised Statutes, and makes appropriate amendments to chapter 201E, Hawaii Revised Statutes, consistent with the purpose of the bill.

Your Committee received testimony from the Hawaii Housing Authority in support of this bill; however, numerous individuals opposed the combining of elderly with certain special needs groups. Your Committee was also concerned over use of the term "bona fide resident". Accordingly, your Committee has amended this bill to clearly indicate that "elderly" include all those sixty-two years of age and over who are residents of the State of Hawaii.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2888, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 405-90 Judiciary on H.B. No. 2865

The purpose of this bill is to appropriate sufficient funds out of the general revenues of the State to pay victims of crimes who were awarded compensation in 1989.

The Criminal Injuries Compensation Commission's 1989 Annual Report provided a case by case summary of the decisions of the Commission. The sums appropriated shall be deposited into the Criminal Injuries Compensation Fund and shall be used for payments authorized by the Commission.

Your Committee has amended this bill for the purpose of stating the exact amount to be appropriated, \$553,258.18.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 2865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2865, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 406-90 Housing on H.B. No. 2912

The purpose of this bill is to limit the rent supplement program to participants who are residents or who intend to become residents in the State of Hawaii.

Testimony supporting the measure was submitted by the Hawaii Housing Authority.

Your Committee finds that the rent supplement program is entirely funded by the State and was established to ease the rental burdens of those who are residents. This measure attempts to preserve the purpose of the rent supplement program.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2912 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Liu.

SCRep. 407-90 Housing on H.B. No. 2457

The purpose of this bill is to reorientate the State's methods in delivering affordable single-family units to families earning below median income by ensuring that major planned communities set aside land for self-help development. The bill requires that the Housing Finance and Development Corporation (HFDC) set aside not less than ten per cent of the total amount of single family units in HFDC-sponsored projects for self-help development.

Your Committee received testimony against the bill from the Housing Finance and Development Corporation, and the Department of Housing and Community Development of the City and County of Honolulu.

HFDC expressed concern about statutorily requiring the setting aside of a percentage of lots in major planned communities for self-help development.

Your Committee received testimony in support of the bill from the Building Industry Association of Hawaii.

Based on the foregoing testimony, your Committee has amended the bill by deleting the statutory requirement and providing for the inclusion of self-help projects in major planned communities, where they may be feasible.

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

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2457, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Liu.

SCRep. 408-90 Housing on H.B. No. 2911

The purpose of this bill is to allow the Hawaii Housing Authority to negotiate construction and rehabilitation agreements when bids are greater than allocated budgets for projects.

Your Committee received testimony in support of this bill from the Hawaii Housing authority (HHA). This testimony indicated that this measure would expedite the development of rental housing by giving HHA more flexibility in negotiations.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2911 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. 409-90 Housing on H.B. No. 2886

The purpose of this bill is to exempt market-priced units from the Housing Finance and Development Corporation's (HFDC) repurchase and owner-occupancy requirements in economically integrated housing projects and to clarify other related issues.

Your Committee heard testimony in favor of this bill from the Department of Budget and Finance, and has amended this bill based upon recommendations presented by that Department.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2886, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 410-90 Judiciary on H.B. No. 3406

The purpose of this bill is to establish Maluhia, the Pacific center for nonviolence.

Your Committee received much testimony by professionals, community leaders, and individuals who all professed their support for this bill.

Your Committee believes that it is clearly more cost effective to invest in nonviolence today than it is to pay for the cost of violence in the future. The costs of violence go beyond the cost of arrest, trial, and incarceration. These costs include hospital bills, lost work hours, lost state revenues, higher insurance premiums, and the human costs of pain and suffering which no dollar amount can compensate. Your Committee is convinced that there exists a corresponding cost to violence ratio; that the costs of violence increases as the number of violent incidents occur and, conversely, the costs of violence decrease with the lessening of violence. Nonviolence is, graphically stated, cheaper than violence.

Your Committee strongly believes that there is a need to link and support existing efforts in our communities working for nonviolence. Your Committee recognizes that nonviolence is both the mean and the end. There is no separation. Through establishing a working, community-based nonviolence center, our state can lead the way to promoting alternatives to violence and promoting peace.

Your Committee takes the position that the creation of a state center recognizes the dignity of each human and the need for everyone to actively participate in the creation of a peaceful environment in our state. This creation of a state center is part of the process itself, of nonviolence.

Your Committee supports the merits of this bill and the establishment of Maluhia, the Pacific center for nonviolence, which shall serve the citizens and governments of Hawaii and the Pacific region by providing the widest possible range of education and training programs, basic and applied research opportunities, and information network services to promote nonviolence and the spirit of aloha among all nations and peoples throughout the world.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3406, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Andrews, Cachola and Anderson.

SCRep. 411-90 Judiciary on H.B. No. 3110

The purpose of this bill is to guarantee the start and flow of ordered child support payments to the payee on a timely basis. This measure also expedites the disbursement of child support payments.

Your Committee finds that the record on child support payments across the country is a terrible indictment of both the system and of parental responsibility.

Your Committee further finds that the intended purpose of this measure would be better served by making amendments to Section 576E-16, Hawaii Revised Statutes. This section requires employers to commence withholding income within fourteen days following the date a copy of the withholding order is mailed, and transmit withheld amounts to the Child Support Enforcement Agency within ten days after the employee is paid.

Accordingly, your Committee has amended Section 576E-16 to do the following:

- (1) Require that the court or administrative agency designate a party who shall serve a copy of the support order on the Child Support Enforcement Agency and the income withholding order on the responsible parent's employer within five calendar days of granting the order;
- (2) Require that within 14 calendar days after receipt of the income withholding order, the employer shall begin withholding the specified amount from the income due to the responsible parent, and within 5 calendar days disburse the specified amount to the Child Support Enforcement Agency; and
- (3) Require the Child Support Enforcement Agency to disburse the funds to the obligee within 5 calendar days after receipt of the funds.

Your Committee believes that these amendments will expedite the disbursement of child support payments to custodial parents.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3110, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 412-90 Judiciary on H.B. No. 3409

The purpose of this bill is to appropriate funds to the Office of the Lieutenant Governor to replace the current voting system with a new, totally electronic voting system.

Testifying on this bill were spokespersons from the Office of the Lieutenant Governor, the Association of Clerks and Election Officers, and the League of Women Voters.

Your Committee understands that this bill would direct the temporary advisory committee on electronic voting systems to select, and the chief election officer to acquire, a totally electronic voting system.

This bill is based on the recommendations of the advisory committee, which was established pursuant to House Concurrent Resolution 194 of the 1989 Legislature. The advisory committee recommended:

- 1) That Hawaii should replace its present system with totally electronic voting, to be instituted for the 1992 elections;
- 2) That the state should adopt standards for electronic voting systems consistent with state election laws, and to the extent possible, with the voluntary standards being developed by the Federal Election Commission; and
- 3) That the advisory committee should continue its comparative evaluation of the systems before recommending a specific vendor.

Your Committee realizes that although the current voting system is reliable, there exist disadvantages when compared to totally electronic systems.

First, paper balloting is labor intensive to process and tabulate. Second, the current system requires significant outlays for ballot printing. For recent elections, the cost ranged from \$700,000 to nearly \$1,000,000. That expense would be eliminated by the use of an electronic voting system. Third, the current system is obsolescent. An inordinate amount of technical support is required to maintain current machines and projected costs for the operation and maintenance of these machines are rising since the maker of these machines, IBM, no longer manufactures or services them. Fourth, there exists a greater tabulating speed with an electronic voting system rather than a ballot system.

Your Committee believes that the advantage of totally electronic voting is overwhelming and endorses the advisory committee's recommendations, and appropriates \$10,500,000 to carry out the purposes of this bill.

Your Committee on Judiciary is in accord with the intent and purpose of H.B. No. 3409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Andrews.

SCRep. 413-90 Human Services on H.B. No. 3187

The purpose of this bill is to appropriate funds for capital improvement projects for:

- (1) Multi-service centers for communities that have higher proportions of families in poverty, higher percentages of immigrant families, and high rates of unemployment;
- (2) Facilities for the delivery of services for the elderly; and
- (3) A public safety training academy.

Testimony in general support of the items in this measure was submitted by the Department of Human Services, the Executive Office of Aging, the American Association of Retired Persons, and the Department of Corrections.

Upon further consideration, your Committee has decided to delete the provisions relating to facilities for the delivery of services for the elderly. Your Committee finds that a greater need currently exists for the actual delivery of services to the elderly and will provide the funds for such services in a separate measure.

Your Committee has further amended the bill by adding a multi-purpose senior center in Kona to the list of capital improvement projects and by changing the expending agency for the multi-service centers to the Department of Accounting and General Services. Other technical, nonsubstantive changes have 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. 3187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3187, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 414-90 Human Services on H.B. No. 2634

The purpose of this bill is to increase the allowable tax credit for employment-related expenses incurred for dependent care and to provide a tax credit to the gap-group of taxpayers whose spouses forego employment in order to care for a qualified dependent.

The bill originally called for amendment to section 235-55.6, Hawaii Revised Statutes, by increasing the applicable percentage of employment-related expenses allowable as a credit. The bill also called for the computation of an imputed child care expense and the allowance of a credit based upon these imputed expenses. The bill also increased the dollar limit of amounts creditable.

Your Committee heard testimony in support of this measure from the Concerned Women of America, the American Freedom Coalition's Task Force on the Family and a concerned home care mother with a working spouse. The Director of Human Services also gave oral testimony favoring the concept, but deferred comments on the bill's details to the Department of Taxation.

The Department of Taxation and the Tax Foundation of Hawaii testified in opposition to expanding or increasing the dependent care credit. The Department of Taxation also noted the equation used to calculate the imputed credit needed clarification or correction.

In keeping with the year of the family theme of this legislative session, your Committee determined that increases in the applicable percentage of employment-related expenses and cap on the amount of tax credit were justifiable.

In following the recommendations of the Department of Taxation, your Committee amended the bill by revising the method of calculating the imputed dependent care tax credit in order to simplify its computation.

Technical, nonsubstantive amendments have also been made 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. 2634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2634, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 415-90 Human Services on H.B. No. 2650

The purpose of the this bill is to establish a demonstration project for the placement of low-risk women who have been convicted and who have young children.

Your Committee received testimony in support of this bill from the Office of Children and Youth, the Department of Corrections, the Office of Hawaiian Affairs, the Hawaii Correctional Association, the John Howard Association, the Justice and Peace Commission of the Catholic Diocese, and the Windward Coalition of Churches.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Provided that courts may place low-risk women who have been convicted and who have children under six years of age into the project as an alternative sentence;
- (2) Appropriated \$240,000 for the project; and
- (3) Made technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2650, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 416-90 Human Services on H.B. No. 2091

The purpose of this bill is to appropriate moneys for the establishment of a children's day care program at the Women's Community Correctional Center.

Your Committee received testimony in support of this bill from the Department of Corrections, the Office of Children and Youth, the Justice and Peace Commission of the Catholic Diocese, the Hawaii Correctional Association, the John Howard Association, the Windward Coalition of Churches, and the Governor's Special Master of Prisons.

Your Committee also received testimony from the Wackenhut Corrections Corporation which indicated that the enactment of mandatory sentencing and increase in convictions throughout the State have severely hampered the Department of Corrections in its efforts to adequately house prisoners in safe prison environments. In the interests of public safety and welfare, alternatives to the present system of incarceration must be provided to achieve punishment and deterrence. At the same time, proper rehabilitation of the prisoners is necessary to ensure their reintegration into society. Accordingly, the Wackenhut Corrections Corporation expressed a need for a pre-release adult correctional facility on Oahu which is designed to provide inmates who have served a majority of their sentence with vocational and educational training and a program for successful reorientation back into society.

Based on the foregoing testimony, your Committee has amended the bill by establishing a pre-release adult correctional facility to house inmates who have served a majority of their sentence and who are within two years of their release.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 417-90 Human Services on H.B. No. 2033

The purpose of this act is to encourage persons receiving public assistance benefits to seek employment by providing them with income incentives.

Your Committee received testimony favorable to this measure from the Department of Human Services, the State Planning Council on Developmental Disabilities, The Committee on Welfare Concerns, Hawaii Advocates for Children and Youth, The Honolulu Community Action Program, Kalihi-Palama Health Clinic, The National Association of Social Workers, and the Life foundation.

The current system of computing earnings of those recipients who do wish to become actively employed discourages, rather than encouraging, full time employment, in that dollar-for-dollar deductions are made from the standard of payment. The introduction of a "ratable reduction" system, such as has been demonstrated successfully in Utah, would allow the deduction of a smaller percentage of net income at lower wage levels, increasing as income increases.

Your Committee finds that adoption of such a system would also complement the JOBS program, which will take effect on October 1, 1990, and feels strongly that recipients of the General Assistance Program should be encouraged similarly.

Your Committee has amended this bill by substituting language recommended by the Department in Section 346-53 (h), adding a sum to be appropriated which will allow the inclusion of recipients of General Assistance as well as Aid to Families with Dependent Children, and changing the effective date of the act to October 1, 1990, to coincide with the effective date of the JOBS program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2033, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2033, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 418-90 Human Services on H.B. No. 2035

The purpose of this bill is to require the Departments of Health and Human Services to develop legislative proposals from the recommendations set forth in the 1989 Legislative Auditor's study of the adequacy of adult residential care home payments.

Your Committee received testimony in support of the intent of this bill from the Executive Office on Aging, the Protection and Advocacy Agency of Hawaii, the Departments of Human Services and Health, the National Association of Retired Federal Employees, the Hawaii Mental Health Consumer Council, the United Group of Home Operators, and the American Association of Retired Persons, and other interested organizations and individuals.

The testimony indicated that although many adult residential care home operators are honest and sincere in carrying out their money management responsibilities, there have been incidents of misuse, denial, and misappropriation of funds. A mechanism for ensuring that residents actually receive moneys due them under Department of Health regulations is needed.

The testimony also stressed the need for a definition of what constitutes a "personal expense."

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Deleted the appropriations;
- (2) Directed the Departments of Health and Human Services to define "personal expense";
- (3) Directed the Departments of Health and Human Services to propose a recommended personal expense allowance amount;
- (4) Directed the Departments of Health and Human Services to provide data and proposals regarding mechanisms for ensuring that adult residential care home operators do not misuse residents' funds;
- (5) Directed the Departments of Health and Human Services to provide the projected dollar amounts required to implement each of their proposals; and
- (6) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2035, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 419-90 Human Services on H.B. No. 2092

The purpose of this bill to link social and employment services with housing developments by establishing a mechanism for the planned development of the delivery of such services at a one-stop center in Kapolei.

Your Committee received testimony favorable to this measure from the Office of State Planning, the Department of Human Services, the Department of Labor and Industrial Relations, Alu Like, Inc., the Honolulu Community Action Program, Ko Olina Resort, Leeward Community College, the West Oahu Employment Center, the Department of Health, the Kamehameha Schools, and the Office of Hawaiian Affairs.

Your Committee finds that while master plans for new developments provide for physical structures, they do not provide for the delivery of human services to the residents of these communities. Data regarding the population in West Oahu suggest that there is a continuing need for the presence of social service and employment support agencies in this region and that one of the major problems is the inaccessibility of such services for transportation reasons.

Although a network for the provision of such services generally evolves in such outlying areas in response to their needs, this patchwork development is not appropriate for a master-planned community such as Kapolei.

Your Committee has amended Section 5 of this bill to add the sum to be appropriated, \$98,605.

Your Committee has further amended this measure by designating the Department of Labor and Industrial Relations to be the expending agency. It was the strong desire of your Committee that the implementation of this project be coordinated with the Governor's Sub-Cabinet Task Force.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 2092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2092, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 420-90 Health on H.B. No. 2902

The purpose of this bill is to approve a two-year pilot autonomy project at Maui Memorial Hospital.

Your Committee finds that this bill will pave the way for public hospitals which are more responsive to local needs and will allow for greater autonomy and ownership of hospital operations at the community level.

Your Committee heard testimony in support of the intent of this measure from the Department of Health, the State Health Planning and Development Agency (SHPDA), and others.

Your Committee has adopted the recommendations of the State Health Planning and Development Agency and the Department of Health that Maui Memorial Hospital not be exempt from SHPDA requirements.

Your Committee on health is in accord with the intent and purpose of H.b. No. 2902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2902, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 421-90 Health on H.B. No. 3436

The purpose of this Act is to fund needed capital improvements to health facilities located throughout the state of Hawaii.

Your Committee heard testimony from the Department of Health.

Your Committee has accepted the following recommendation offered by the Department of Health. An additional \$750,000 is needed to complete the renovations and construction at Hilo Hospital. This will be included in SECTION 1, as section I.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3436, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 422-90 Water and Land Use and Health on H.B. No. 2237

The purpose of this bill is to provide for the installation of air quality monitoring stations and water quality monitoring of catchment water on Hawaii.

The Department of Health supports this bill and has provided a more accurate estimate of the cost to install air quality monitoring equipment at four sites. The Department also notes that funds are needed to assess the water quality impacts of catchment systems. Water quality monitoring must be carried out on a contract basis through private laboratories because the Department of Health does not have adequate facilities.

This bill was supported by all those who testified. There is a need for such monitoring because of development taking place on certain parts of the island, as well as continuing volcanic activity.

Your Committees have amended the bill to conform to the recommendations of the Department of Health. The sum appropriated for the installation of air quality monitoring stations is increased from \$600,000 to \$686,000, and the sum for catchment water quality monitoring is set at \$5,000. In addition, the Department of Health is now required to monitor the water quality of catchment water on a regular basis.

Your Committees on Water and Land Use and Health are in accord with the intent and purpose of H.B. No. 2237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2237, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Chang, Ihara and Kanoho.

SCRep. 423-90 Water and Land Use and Intergovernmental Relations and International Affairs on H.B. No. 3063

The purpose of this bill is to provide for the transfer of Kawainui Marsh on Oahu from the City and County of Honolulu to the State of Hawaii.

Testimony in support of this measure was submitted by the City and County of Honolulu; Hawaii's Thousand Friends; National Audubon Society; Conservation Council for Hawaii; Sierra Club, Hawaii Chapter; Kawainui Heritage Foundation; and others. In addition, the Department of Land and Natural Resources expressed a desire to secure control of Kawainui Marsh in order to implement the 1983 State Kawainui Marsh Resource Management Plan and to enable the Department to expend 1989 appropriations granted to the Department for the Marsh. The Department urged, however, the transfer be conditioned upon current City and County flood control projects being completed, and the City and County agreed to this.

To take into account the Department's position as well as the City and County's testimony, your Committees have amended this bill as follows:

1. Added a purpose clause in Section 1;

2. Specified the land area by adding the tax map key and the phrase, "less the community park area" to lines 4-5, page two of the amended bill;
3. Clarified that the transfer deed be in fee simple on or before January 1, 1993, in lines 7-7, page two of the amended bill;
4. Inserted a proviso to the transfer requiring the completion of all pending flood control projects in lines 8-11, page two of the amended bill;
5. Deleted provisions in Section 2 of the amended bill that the deed contain reasonable conditions imposed by the grantor;
6. Added a new Section 3 which requires the State and the City and County to agree that the Department of Land and Natural Resources shall manage the cultural and wildlife resources of the Marsh;
7. Specified that the appropriations in Section 4 of the amended bill also include the costs to commence management and administration of the Marsh; and
8. Made technical, nonsubstantive amendments to the bill for the purpose of style and clarity.

Your Committees find that this 746-acre wetland conservation area is an important and valuable natural resource which should be placed in the ownership of the State and be managed pursuant to the goals and objectives of the 1983 Kawaiui Marsh Resource Management Plan.

Your Committees on Water and Land Use and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 3063, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3063, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Horita, Tajiri and Yonamine.

SCRep. 424-90 Water and Land Use on H.B. No. 3371

The purpose of this bill is to ensure the long term preservation and protection of the most complete ahupuaa on Oahu by appropriating funds for the acquisition of Ohikilolo Valley.

Located between Makua Valley and Keaau along the Waianae coast of Oahu, Ohikilolo Valley contains a complete settlement pattern from the ocean to the mountains that has remained, for the most part, in an undisturbed state of preservation. According to the Department of Land and Natural Resources, this valley contains a dense concentration of historical sites including agricultural terraces, habitation sites, heiau, a possible canoe house, ahupuaa boundary wall, and a konohiki residence.

During the testimony presented by a small landowner of Ohikilolo Valley and the Waianae Archaeological and Historical Preservation Council, your Committee learned that it would be more appropriate for the State to acquire the makai portion of the valley, specifically, the Alpha Kai property as well as some kuleana land in Keaau presently in the process of a quiet title action.

The Department of Land and Natural Resources supported this bill and recommended that \$7 million be appropriated for this acquisition.

Your Committee has amended this bill by inserting an appropriation of \$7 million and by identifying the makai parcels (the Alpha Kai parcel and the kuleana land in Keaau) earmarked for acquisition. Your Committee has also made technical, nonsubstantive amendments to the bill for the purposes of style and clarity.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 3371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3371, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hashimoto.

SCRep. 425-90 Health on H.B. No. 2672

The purpose of this bill is to appropriate \$383,321 for the Zero-to-Three Hawaii Project in the Family Health Services Division of the Department of Health (DOH). This appropriation will enable the DOH to provide support and diagnostic services to children with special needs, train personnel to provide these services, and strengthen public awareness and effectiveness of the program.

Unanimous testimony in support of this measure was received from many health care groups, including the DOH, the State Planning Council on Developmental Disabilities, the Hawaii Medical Association, and many others. The DOH testified that this funding is critically needed to meet new federal requirements for child health care.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2672 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 426-90 Water and Land Use on H.B. No. 2387

The purpose of this bill is to require all state agencies to obtain at least two appraisals before the purchase, transfer, or acquisition of any real property of interest therein; and requires the maintenance of a list of qualified, disinterested appraisers from which appraisers shall be selected on a rotating basis.

Testimonies from the Department of Land and Natural Resources, Department of Transportation, and the Hawaii Housing Authority expressed concern over the increased costs to the state from conducting two appraisals for every real property transaction. The Department of Transportation and the Hawaii Housing Authority pointed out that this requirement would also increase costs for consumers when purchasing remnants of lands. A professional appraiser testified in favor of two appraisals, especially for expensive transactions.

Your Committee has amended the bill to mandate that two appraisals shall be required by all state agencies before the purchase, transfer or acquisition of any real property or interest in property in amounts of \$15,000,000 or more.

In addition, your Committee has amended the bill by deleting sections relating to the maintenance of a list of appraisers, open to the public, from which selection is to be made on a rotating basis. With the deletion of these provisions, other sections of the bill which relate to changes in numbers of appraisers are deleted.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2387, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives D. Ige, Hemmings and O'Kieffe.

SCRep. 427-90 Health and Human Services on H.B. No. 2985

The purpose of this bill is to amend Act 78-89 to facilitate implementation of Section 6, which appropriated funds for two mental "clubhouse" facilities. The Department of Health needs these amendments to avoid the lapsing of funds.

Your Committees heard testimony from the Department of Health, the Mental Health Consumer Council, and the Oahu Alliance for the Mentally Ill, all of whom spoke in support of this bill.

Your Committees have adopted the recommendations of the Mental Health Consumer Council by amending the name of the center from a multipurpose center for Waipahu to a multipurpose center for the Leeward Oahu Community Mental Health Center.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 2985, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2985, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ihara and Liu.

SCRep. 428-90 Health on H.B. No. 2688

The purpose of this Act is to provide for a statewide comprehensive, coordinated interdisciplinary program of early identification hearing screening and follow-up for children, from the time of birth through the pre-school years.

Your Committee heard testimony from the Department of Health, State Planning Council on Developmental Disabilities, Commission on Persons with Disabilities, Gallaudet University Center on Deafness, Hawaii Services on Deafness, Hawaii Public Health Association, Hawaii Medical Association, Hawaii Speech-Language-hearing Association, Kapiolani Medical Center for Women and Children, Maui Medical Group, Hawaii Health Mothers, Healthy Babies Coalition, Imua Rehabilitation-Society of Crippled Adults and Children of Maui County, Kaiser Permanente Medical Group, Kihei Pediatric Clinic, Kamehameha Elementary School and numerous individuals in support of this bill.

Your Committee found that it is important that a comprehensive hearing screening program be incorporated into the early intervention activities of the Department of Health. If patients can be identified with hearing impairments early, they can be treated and perhaps have a better chance for normal language skills. It is estimated that with this proposed legislation, at least 120 newborns will be identified with some degree of hearing loss.

Your Committee accepted the recommendations of the Department of Health and will expand the definition of "infant" to mean a child who is zero to 36 months, rather than zero to 24 months of age. Your Committee has decreased the amount appropriated to 142,430 based upon the Department of Health's recommendation. The Department of Health indicated that these monies would be used for staffing for two Audiologists, other support staff and neighbor island travel.

Your Committee also finds that it is the intent of the Department of Health to have an Advisory Council established which will have a joint public/private council to develop the statewide plan and guidelines.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2688, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 429-90 Health on H.B. No. 3318

The purpose of this bill as received by your Committee, is to establish the position of crisis services coordinator to develop effective crisis response services to meet the needs for the thousands of seriously mentally ill individuals in Hawaii who require comprehensive coordinated care.

Your Committee heard testimony in support of this bill from the Department of Health, the Mental Health Association in Hawaii, the Mental Health Coalition, the Mental Health Consumer Council, Protection and Advocacy Agency of Hawaii, the State Mental Health and Substance Abuse Advisory Council, and the Office of United Self Help.

Your Committee has amended Section 1 of this bill to indicate that the purpose of this act is to fund a crisis services coordinator to develop effective crisis response services. Your committee is in agreement with the Department of Health regarding the placement of this position and has further amended this act by deleting the language regarding the the coordinator being a position within the department of health. Your committee has also amended the language which indicates the coordinator's role in developing a statewide plan for mental health crisis response services. A figure of \$40,000.00 , or so much thereof as may be necessary for fiscal year 1990-1991, has been added.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 3318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3318, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 430-90 Health on H.B. No. 2666

The purpose of this bill is to fund requests for assistance to programs that assist persons living with AIDS which have not been proposed in the Administration budget, but are essential if we are to continue to cope with the epidemic. This is especially important to cover assistance for case management, personal care, housing assistance, and administrative expenses for neighbor islands, including health care staff.

Your Committee received testimony from the Governor's Committee on AIDS, Life Foundation, Ho'omana'olana, Department of Health, Hospice Hawaii, Inc. in support of this bill.

Testimony focused on the increasing numbers of infected individuals in Hawaii, and especially on the lack of services on the Neighbor Islands. It is estimated, for example, that there are over 100 individuals with HIV disease on Maui, 30 on Kauai, and 180 on the Big Island. Oahu has probably at least 500 or more now in treatment. As the use of AZT and other drugs increases and is begun earlier in the progression of HIV disease, even immediately after exposure in some cases, the continuum of counseling, case management and services must be available well before an individual becomes physically incapacitated. Many experts are now calling for a shift in terminology, from AIDS to HIV disease, primarily because of the nature of treatment.

Funds proposed in this bill are essential to continue programs which have been funded in the past, but have not been adequately funded to continue even existing levels of services. The data on persons with HIV disease has been changing so rapidly that the department of health did not have a complete picture on budgetary needs last year when the supplemental budget was assembled.

Your Committee has made two amendments to the bill. The first is a slight adjustment in the grant in aid for Ho'omana'olana for housing assistance; the second to clarify that the sum appropriated in section three is for the neighbor islands.

Your Committee wishes to acknowledge that more funds are needed for neighbor island services, but a complete budget was not available at the time of the hearing. It is the hope of the committee that a more definitive neighbor island HIV budget will be presented to the Committee on Finance.

Your Committee on Health is in accord with the intent and purpose of H.B. No. 2666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 431-90 Human Services on H.B. No. 3018

The purpose of this bill is to statutorily empower the Director of the Department of Human Services with the authority to set priorities and limits on the number of children for whom protective services are provided.

Your Committee received testimony in support of this bill from the Department of Human Services. This testimony indicated that the Department, in consultation with the Department of the Attorney General, has elected to develop and implement a triage system based upon the use of a risk matrix to prioritize its cases. This system will set priorities focused on the level of risk in any given case and will enable the Department of Human Services to assign resources available at

any given time to respond to those in need. The bill will provide the statutory basis to implement the triage system and concurrently reduce staff and state liability in the performance of mandated services.

However, the Department of Human Services recommended the imposition of a two-year time limit for the authority granted under the bill. The Department also opposed the proposed removal of the its responsibility to assist in preventing family breakdown.

Your Committee received testimony against the bill from the Judiciary of the State of Hawaii which indicated its opposition to any legislation which would restrict the number of children who may receive protective services.

Your Committee also received testimony from the Waianae Coast Child Advocacy Ohana, and several service providers and private citizens which indicated that families in the Waianae area frequently encounter extreme difficulty in securing appropriate child investigative and protective services. This testimony stressed the need for the development of a pilot Family Support Unit to be implemented on the Waianae Coast.

Based on the foregoing testimony, your Committee has amended the bill as follows:

- (1) Provided that the Director of the Department of Human Services shall have the authority to set priorities based on the department's or authorized agency's capacity and resources at any given time;
- (2) Deleted section 2 of the bill which removed the Department of Human Services' authority to assist in family breakdown;
- (3) Provided that the authority granted to the Department of Human Services by the bill shall be repealed on July 1, 1992; and
- (4) Appropriated \$150,000 for the establishment of the child protective services team program.

Your Committee on Human Services is in accord with the intent and purpose of H.B. No. 3018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3018, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 432-90 Health and Human Services on H.B. No. 2649 (Majority)

The purpose of this bill is to establish two community-based teenage health clinics on the island of Oahu to improve health care for teenagers, particularly those often categorized as high risk, at risk, runaway, throwaway, or homeless.

This bill also establishes an outreach program for homeless persons under twenty-one years of age in one of the two proposed community-based teenage health clinics.

Your Committees heard testimony in support of this bill from the Departments of Human Services and Health; Homeless Aloha, Inc.; the Waikiki Health Center; Kokua Kalihi Valley Comprehensive Family Service; the University of Hawaii School of Public Health; the Hawaii Public Health Association; and the Catholic Charities of the Diocese of Honolulu.

However, the Department of Health was concerned about the inclusion of a provision which would restrict the proposed clinics from making the necessary referrals for requested health services which are not offered on site. To restrict a clinician's ability to discuss all options available would negate the appropriateness and ethical considerations of the clinician-patient relationship and would in effect constitute an unconstitutional "gag rule".

The Department of the Attorney General also provided guidance to your Committees regarding redrafting of the bill.

Based on the foregoing testimony, your Committees have amended the bill as follows:

- (1) Inserted a purpose clause which directs the clinics to provide health care services, in particular, to teenagers who are high risk, at risk, runaway, throwaway, or homeless;
- (2) Defined "high risk," "at risk," "runaway," "throwaway," or "homeless";
- (3) Deleted language restricting a clinician's ability to discuss and make the necessary referrals for requested health services;
- (4) Added "except as provided by section 577A-2," to the provision pertaining to the conditions under which parental consent would not be required for a teenager fifteen years of age or older;
- (5) Provided good faith immunity to physicians making judgments as to whether a teenager is capable of giving informed consent or whether a teenager is able to determine if the services or pharmaceutical products prescribed are clearly for the teenager's benefit;
- (6) Provided that a physician need not notify the parents or guardians of a teenager who has reached the age of fifteen of the medical care and services provided to the teenager;
- (7) Appropriated \$341,122 for the purposes of the Act; and

- (8) Made technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees on Health and Human Services are in accord with the intent and purpose of H.B. No. 2649, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2649, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Duldulao, Leong and Liu.
(Representative Cavasso did not concur.)

SCRep. 433-90 Water and Land Use and Intergovernmental Relations and International Affairs on H.B. No. 2919

This report consolidates four bills into one, H.B. No. 2919, H.D. 1. The purpose of H.B. 2919 is to establish both a procedure that would allow for the transfer of designated community development districts from the State to the county and establish procedures for community development districts within special management areas and subject to shoreline setback variances. The purpose of H.B. No. 2359 is to provide housing for community development projects. The purpose of H.B. No. 2916 is to provide loan assistance for relocation of displaced businesses. The purpose of H.B. No. 2997 is to change the boundaries of the Aloha Tower complex.

Your Committees heard testimonies from the Aloha Tower Development Corporation; Fred. L. Waldron, Limited; Hawaiian Sugar Planters' Association; First in Foods; the Chamber of Commerce of Hawaii; the law corporation of Alcantara & Frame; Hawaii Community Development Authority; City Council and the Department of Land Utilization of the City and County of Honolulu; the Ala Moana-Kakaako Neighborhood Board No. 11; Kamehameha School/Bernice Pauahi Bishop Estate; Malama Pacific Corp., a real estate development subsidiary of HEI, Inc.; Tim Chow on behalf of Victoria Ward, Limited; and Hawaii Community Development Authority.

Your Committees amended the bill to change the boundaries of the Aloha Complex project to facilitate the negotiations between the Aloha Tower Development Council and the developer. Additionally, minor changes were added as enumerated.

1. H.B. No. 2919 changed section 1 (f)(1) by deleting the words "In years two and three" and substituting the words "From years two through fifteen"; changed section 1 (f)(2) by adding a new phrase "be consistent with community development district rules pertaining to heights and densities and..."; changed section 1(f)(3) by deleting the "third" year and substituting "first" year; changed section 1(g) in two places by deleting the words "special design" and substituting the words "tax increment" and also adding a provision requiring the payment of a percentage of property tax to a special fund to improve the infrastructure; and section 2 of the bill regarding the special management areas and shoreline setbacks was deleted.
2. H.B. No. 2359 was incorporated into H.B. No. 2919 and has been amended to provide for residential housing in conjunction with redevelopment projects.
3. H.B. No. 2916 was also incorporated into H.B. No. 2919 and has been amended to provide for a loan program to assist in the relocation of small business that may be displaced in the redevelopment area of in Kakaako.
4. H.B. No. 2997 was the final bill that was incorporated into H.B. 2919 as noted.

Your Committees on Water and Land Use and Intergovernmental Relations and International Affairs are in accord with the intent and purpose of H.B. No. 2919, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2919, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Bellinger, Bunda, Hashimoto, Horita, Kanoho, Say, Yonamine, Hemmings, Marumoto and O'Kieffe.

SCRep. 434-90 Judiciary and Health on H.B. No. 3272

The purpose of this bill is to provide a uniform statewide code to regulate the dispensing of cigarettes and other tobacco products from vending machines in state and county office facilities, and in and around public playgrounds.

Testimony was regarding this bill was received from representatives from the department of health, private and community groups, and individuals from the community.

Your Committees believes that it is in the best interests of public health and safety that government not promote the sale of cigarettes and tobacco products. Your Committees believe that by prohibiting the sale of vending machines dispersing these products in state and county office facilities that Hawaii is consistent with striving to being recognized as the "Health State".

Your Committees also believe that children are very susceptible to the prominence and accessibility of vending machines. Your Committees recognize, therefore, that while it is against the law for a minor to purchase tobacco products through vending machines, many of those vending machines are left unattended and the lack of supervision of these vending machines may encourage minors to break the law whether knowingly or unknowingly.

Your Committees, therefore, believe that a "safety zone" of seven hundred and fifty feet surrounding public playgrounds, areas where minors congregate, must be established in the best interests of minors.

Your Committees recognize, however, that there are other areas which minors congregate, most of them being restaurants some of which serve alcoholic beverages. Your Committees has taken under consideration the fact that vending machines placed in these establishments are under the supervision of the management staff of these places and believe that adequate controls are in effect to warrant exceptions to this section.

Exceptions exist, therefore, to this bill to those establishments as defined under sections 281-1 and 445-90, Hawaii Revised Statutes.

Your Committees on Judiciary and Health are in accord with the intent and purpose of H.B. No. 3272, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3272, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Duldulao, Hiraki, Hirono, Okamura, Peters, Tam, Yoshimura, Anderson, Cavasso and Liu.

SCRep. 435-90 Human Services and Health on H.B. No. 2687

The purpose of this bill is to make an appropriation to the Department of Health to replicate the innovative and nationally recognized On Lok model of health services for the frail elderly at Maluhia.

Your Committees find from testimony presented that the state's Maluhia long term care facility has received approval from the Executive Director of On Lok to replicate the On Lok model. On Lok, Chinese for "Abode of Peace and Happiness", is one of the nation's most innovative and effective program's providing "affordable" health care services and housing for the frail elderly.

Your Committees further find that studies have shown that using the On Lok model results in a 12 percent savings in payment from all sources for the care of the frail elderly population as compared to the cost for "traditional" models of care. On Lok works with their participants to maximize their independence. The programs goal is to "maintain the frail elderly in their own community, and preferably their homes, as long as it is medically, socially, and economically feasible."

Your Committees received testimony from the Department of Health, Executive Office on Aging, Department of Human Services, City and County of Honolulu - Elderly Affairs Division and an individual in support of this bill. Your Committee has adopted the recommendations of the Department of Health by making the following amendments: To clarify in SECTION 2. that the funds appropriated will also be utilized for staff.

Your Committees on Human Services and Health are in accord with the intent and purpose of H.B. No. 2687, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2687, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 436-90 Housing on H.B. No. 2702

The purpose of this bill is to allow the Housing Finance and Development Corporation (HFDC) to sell, lease, or rent dwelling units or improved lots to non-profit entities.

Currently, statutory language appears to prohibit the HFDC from selling, leasing or renting a dwelling unit or improved lot to non-profit entities.

Your Committee heard testimony from the HFDC strongly in support of this bill. Representatives from the HFDC suggested that it also be permitted to sell, lease or rent units to other State or governmental agencies in order to provide for employee or special needs housing. In addition, various non-profit organizations testified that this bill will provide a mechanism for non-profit agencies to develop special needs housing facilities.

Your Committee also heard testimony and was deeply concerned with the lack of low income affordable units throughout the State of Hawaii. Your Committee believes that it is imperative that this need be addressed, and that co-operation and co-ordination between the state and the non-profit housing groups in the private sector is essential. Representatives from the HFDC pointed out that non-profit groups could best address certain housing needs.

Accordingly, your Committee has amended this bill to allow the sale, leasing, or renting of units to public agencies and has included a section providing for low interest loans to non-profit entities to enable them to develop low cost housing units.

Your Committee on Housing is in accord with the intent and purpose of H.B. No. 2702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2702, H.D. 1 and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Liu.

SCRep. 437-90 Finance on H.B. No. 2937

The purpose of this bill is to incorporate the Model S Corporation State Income Tax Act (Model Act) into Hawaii's net income tax law to simplify taxpayer compliance and administration and to ensure that nonresident individuals pay taxes.

The Model Act is an attempt to standardize the income tax treatment of S corporations among the various states. Under the Model Act, a valid S corporation election for federal purposes would be effective for Hawaii income tax purposes. No separate election for Hawaii purposes, as is presently required, would be necessary. Also, the election would not be restricted to Hawaii corporations. This provision would simplify filing requirements for foreign (non-Hawaii) corporations who presently must follow two different sets of rules and would eliminate a possibly discriminatory application of our present law.

Another provision of the Model Act requires S corporations having nonresident shareholders to obtain an agreement from each nonresident shareholder that the shareholder shall file a Hawaii return and make timely payment of all taxes imposed by the State with respect to the shareholder's share of the S corporation's Hawaii income. The agreement subjects nonresident shareholders to personal jurisdiction in this State for purposes of the collection of unpaid income tax together with related interest and penalties. In the absence of the timely filing of such agreements, the corporation shall pay to the State on behalf of each nonresident shareholder an amount equal to the highest marginal tax rate imposed on individuals multiplied by the shareholder's share of the corporation's Hawaii income. This provision will put these shareholders on notice that Hawaii taxes are due and will encourage their filing of Hawaii returns to receive credits for the amounts paid on their behalf by the corporation as well as other credits to which they may be entitled.

Your Committee received testimony from the Department of Taxation in favor of the bill. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee has amended the bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 2937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2937, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 438-90 Finance on H.B. No. 2942

The purpose of this bill is to include as a liable party any person who wilfully fails to perform duties related to the collection, accounting, and payment to the State of income taxes withheld in trust by employers.

Under current law, only employers and corporate officers are liable for failure to perform such duties. However, in today's business world, it is not uncommon for a corporate employee to be the person responsible for the collection, reporting, and payment of employees' taxes to the State.

This bill would broaden the scope of the law to make all persons who have a corporate duty to collect and pay employees' taxes to the State liable for failure to perform those duties. Further, the bill conforms our law to similar provisions contained in Internal Revenue Code section 6672.

Your Committee heard testimony in favor of this bill from the Department of Taxation. Testimony was also received from the Tax Foundation of Hawaii.

Your Committee has amended the bill by making 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. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2942, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 439-90 Finance on H.B. No. 1631

The purpose of this bill is to increase from \$500 to \$5,000 the amount of compensation excluded under the state income tax law on income received by members of the Hawaii National Guard and other reservists of the armed forces and Coast Guard.

Your Committee finds that excluding from state income taxation the first \$500 received by a military reservist has benefited the State by serving as a valuable tool in recruiting and retaining qualified personnel. However, there has been no increase in the \$500 amount since the exclusion was first established in 1970.

Based on testimony received from the Department of Defense, the Hawaii National Guard Enlisted Association, and members of the Hawaii Army National Guard and Hawaii Air National Guard, your Committee finds that the income exclusion for members of the military reserves should be increased to encourage recruitment and retention of skilled personnel and recognize their military service. However, your Committee believes that an increase from \$500 to \$1,750 serves as an adequate incentive and better reflects the inflationary value of the present income exclusion.

Accordingly, your Committee has amended the amount to \$1,750. Further, your Committee has amended the bill by including a purpose section. Other technical, nonsubstantive amendments have been made for the purposes of style and clarity.

Your Committee on Finance is in accord with the intent and purpose of H.B. No. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 440-90 Finance on H.B. No. 2935

The purpose of this bill is to conform Hawaii's income tax law to the changes in the Internal Revenue Code made by Congress in 1989.

Your Committee received testimony from the Department of Taxation and the Tax Foundation of Hawaii that conformity between State and Federal income tax laws simplifies taxpayer compliance and eases administration of the law by the State.

This bill includes provisions which:

- (1) Clarify that the concept of a child "having no gross income" only applies for the purpose of electing to include minor children's unearned income on the tax return of the parents and eliminating the return of the child;
- (2) Extend the low-income housing credit through 1990 and broaden the scope of the credit;
- (3) Permanently exempt mutual fund shareholder expenses from the two per cent miscellaneous deductions floor;
- (4) Repeal the completed-contract method of accounting; and
- (5) Tighten certain interest paid exclusion restrictions involving employee stock ownership plan loans.

Your Committee has amended the bill by making 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. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 441-90 Water and Land Use on H.B. No. 2174

The purpose of this bill is to prevent any misuse or misunderstanding of public information about hiking trails and accesses by clarifying the type of information that must be included in the hiking trail inventory that is made available to the public.

Under Section 198D-3, the Department of Land and Natural Resources is required to establish and maintain an inventory of all trails and accesses in the State for management purposes. The law further requires that the Department must periodically publish and update this inventory in a document which shall be made available to the public.

Your Committee finds that, as presently worded, the law requires the Department to publish a complete inventory of all trails and accesses in the State, including those on public or private lands. The problem is that some of the information may not be appropriate for general public use due to: (1) liability concerns and hazardous conditions; (2) private agreements that allow limited access only to certain organized groups; and (3) the unknown status of the public's right to use a trail or access due to pending litigation or unresolved claims.

This bill would remedy this potential problem by requiring the Department to publish only that portion of the statewide inventory that identifies trails and accesses that are available for general public use. Your Committee finds that such an amendment would help to ensure against any misinterpretations or misunderstanding about trail conditions and access.

The Department of Land and Natural Resources, the Kauai and Molokai Na Ala Hele Citizens Advisory Committees, and Hawaii's Thousand Friends all testified in support of this bill.

Your Committee on Water and Land Use is in accord with the intent and purpose of H.B. No. 2174 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 442-90 Economic Development and Hawaiian Affairs on H.B. No. 2914

The purpose of this bill is to amend Act 274, Session Laws of Hawaii 1989, relating to the time period in which the High Technology Development Corporation may permit projects related to film production activities to be conducted at its industrial parks. The bill amends Section 5 of the Act by extending the deadline from June 30, 1990 to June 30, 1991.

Your Committee is concerned that the corporation has little expertise in film production activities and is managing facilities out of convenience rather than policy. Your Committee will not look kindly on further extensions of this exemption in the future, and instructs the Department of Business and Economic Development to develop and implement long term management strategies and policies for these facilities.

Your Committee on Economic Development and Hawaiian Affairs is in accord with the intent and purpose of H.B. No. 2914 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 443-90 Water and Land Use on H.B. No. 2984

The purpose of this bill is to effectuate the recommendations contained in an assessment of the legal disposition and possible uses of Kalawahine, Oahu.

H.B. No. 2984 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 Water and Land Use is in accord with the intent and purpose of H.B. No. 2984, as amended herein, and recommends that it be recommitted to the Committee on Water and Land Use, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 2984, H.D. 1.

Signed by all members of the Committee except Representatives Andrews, Hiraki and Stegmaier.

SCRep. 444-90 Ocean and Marine Resources on H.B. No. 2491

The purpose of this bill is to amend Section 188-29 of the Hawaii Revised Statutes to clarify that shrimp or opae may be taken with traps of smaller mesh than the legal mesh size.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources and a commercial fisherman.

Testimony indicated that Act 174, SLH-1989, amended the Section to establish new one by two-inch minimum size mesh for traps made of rigid materials. Although intended to provide an exception for shrimp or opae traps, as done with nets, such a provision was inadvertently omitted.

Upon consideration, your Committee has further amended this bill by adding the phrase "and for the entrance cone," between "opae," and "it" on line 6 for the purpose of the clarification of traps.

Your Committee on Ocean and Marine Resources is in accord with the intent and purpose of H.B. No. 2491, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2491, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 445-90 Consumer Protection and Commerce on H.B. No. 2533

The purpose of this bill is to amend section 431, Hawaii Revised Statutes, in response to changes in the federal Medicare program.

The Insurance Division requested amendments to section 431, Hawaii Revised Statutes, based on the Medicare Supplement Insurance Minimum Standards Model Act adopted by the National Association of Insurance Commissioners which would broaden the Division's ability to amend the rules concerning Medicare supplement policies in the areas of establishing standards for marketing practices, compensation arrangements, and reporting practices. The Division would like these amendments to be passed as soon as possible to allow it adequate time to prepare permanent Medicare supplement coverage rules (which need to be in place by the beginning of 1992 in order to comply with the federal program for certification of Medicare supplement policies) for adoption. (Note: The Congressional repeal of the Medicare Catastrophic Act of 1988, effective January 1, 1990, has had a major impact on the Medicare supplement insurance rules found in Title 16, Chapter 12 which set out the terms and benefits of Medicare supplement insurance policies, eliminate those benefits that may duplicate Medicare benefits, require full disclosure of policy and contract benefits and benefit changes, and set forth filing guidelines for insurers, as well as guidelines for the reasonable standardization of Medicare supplement policies.)

Your Committee on Consumer Protection and Commerce is in accord with the intent and purpose of H.B. No. 2533 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.