

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1 on H.B. No. 1800

The purpose of this bill is to provide that whenever a student participates in the Department of Education's vocational student internship program and works for a private employer, the State will be responsible for purposes of workers' compensation coverage which will be the student's exclusive remedy against the State and the private employer.

Your Committee has amended this bill by clarifying that workers' compensation coverage is the student's exclusive remedy to the same extent as provided for in Chapter 386, Hawaii Revised Statutes. The Committee wishes to make clear that the student intern is protected to the same degree as every other worker, in conformity with the workers' compensation laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, H.D. 1, S.D. 2, C.D. 1.

Representatives Stegmaier, Tom and Halford,
Managers on the part of the House.

Senators Groaty, Chumbley, Matsunaga and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 2 on H.B. No. 518

The purpose of this bill is to require all state building construction plans to consider the feasibility of installing cool storage air-conditioning in public buildings and facilities.

Your Committee notes that Hawaii's climate is conducive to planning and designing low-rise buildings that reduce our dependence on artificial cooling systems without sacrificing a comfortable environment. Specifically, the bill would require an economic feasibility study for all plans and specifications for construction of air-conditioned public buildings and facilities by the State whenever the estimated cost of air-conditioning is in excess of \$250,000; if the energy cost savings resulting from the installation of a cool storage air-conditioning system is indicated to be a simple payback of five years or less, the installation would be required.

Your Committee has amended the bill to require that all feasibility studies be filed with the Department of Accounting and General Services, since it is they, and not the Department of Business, Economic Development, and Tourism, who will be writing the rules pursuant to Chapter 91 of the Hawaii Revised Statutes, as noted in subsection (e) of the proposed new chapter.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 518, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 518, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Kawakami and Thielen,
Managers on the part of the House.

Senators Ige, Matsunaga, Levin, Tam, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 3 on H.B. No. 1878

The purpose of this bill is to simplify the implementation and improve the effectiveness of the State Enterprise Zones Program.

Specifically this bill will:

- (1) Clarify which employees qualify as low-income employees;
- (2) Limit tax credits to income taxes only;
- (3) Update references to federal programs; and
- (4) Delete the requirement that a certified public accountant complete the form stating that the business is a "qualified business."

Your Committee has amended this bill by allowing "independent accountants," rather than "independent public accountants licensed by the State," to verify whether business firms meet the definition of a qualified business under the State Enterprise Zones Law.

It is your Committee's understanding that allowing any "independent accountant" to perform the verification requirement will alleviate businesses, particularly small, start-up businesses, from incurring the extra cost of having a certified public accountant (CPA) licensed by the State to verify whether the business qualifies for enterprise zone benefits. Furthermore, broadening the type of accountant would qualify more accountants to perform this requirement.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1878, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1878, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Kawakami, Isbell, Jones and Ward,
Managers on the part of the House.

Senators Ikeda, Levin, Matsunaga, Tam, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 4 on H.B. No. 1431

The purpose of this bill is to authorize the Department of Education to establish limited term, forty-nine percent salaried educational officer and teacher positions to rehire retired personnel beginning July 1, 1995.

The Department of Education has stated that approximately sixty to eighty certificated employees need to be rehired to adequately staff the public schools for the 1995-1996 school year.

Upon careful consideration, your Committee has amended this bill by:

- (1) Changing the sunset date from June 30, 2000, to June 30, 1998;
- (2) Clarifying that the Department of Education and the appropriate bargaining unit exclusive representatives may agree to modify the terms and conditions of employment and establish appropriate dues;
- (3) Requiring the Department of Education to also report on its progress in adequately addressing teacher shortages in critical subject areas, including but not limited to mathematics, science, special education, industrial arts, and home economics; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1431, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1431, H.D. 1, S.D. 1, C.D. 1.

Representatives Stegmaier, Yonamine, Takumi, Tarnas and Anderson,
Managers on the part of the House.

Senators Kanno, Chumbley and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 5 on H.B. No. 51

The purpose of this bill is to adopt a statewide community noise code that the counties can use as a base for further local ordinances.

As originally drafted, this measure directed the Department of Health to set standards for noise levels in urban and non-urban areas of the state.

Upon further consideration, your Committee has determined that the counties need latitude in order to set their own standards for appropriate noise levels, within the parameters set out by the state. Further, this measure has been amended to state specifically that, in the event of conflict between Section 342F- and the already existing Section 46-17, the latter shall be the section of authority.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 51, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 51, H.D. 1, S.D. 1, C.D. 1.

Representatives Shon, M. Oshiro, Tarnas, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Tam, Aki and Chumbley,
Managers on the part of the Senate.

Conf. Com. Rep. 6 on H.B. No. 22

The purpose of this bill is to require the Department of Health to adopt written guidelines to determine circumstances which would require public informational briefings and hearings, by amending Chapter 321 of the Hawaii Revised Statutes.

As later amended, the bill would have deleted that provision and instead amended Section 342B-1 of the Hawaii Revised Statutes in order to add the definition of "biomass fuel burning boilers", a definition which was inadvertently omitted by the Department of Health when new rules regarding biomass boilers were being adopted.

Upon further discussion, your Committee has found merit in both concepts, and incorporated each, in its entirety, into this measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 22, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 22, H.D. 1, S.D. 1, C.D. 1.

Representatives Shon, M. Oshiro, Tarnas, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Tam, Aki and Chumbley,
Managers on the part of the Senate.

Conf. Com. Rep. 7 on H.B. No. 2000

The purpose of this bill is to transfer the authority to conduct hearings on appeals of violations under Chapter 104, Hawaii Revised Statutes (which is commonly referred to as the "Little Davis-Bacon Act"), from the Labor and Industrial Relations Appeals Board to the Director of Labor and Industrial Relations.

Upon further consideration, your Committee has amended this measure by amending its effective date as follows:

- (1) Section 4 of this bill, which amends Section 104-5(b), Hawaii Revised Statutes, to require a 10 percent fine for second offenses, has been amended to take effect upon its approval; and
- (2) The remaining sections of the bill have been amended to take effect on July 1, 1996, to enable the Department of Labor and Industrial Relations to administratively prepare for the transfer.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2000, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2000, S.D. 1, C.D. 1.

Representatives Yonamine, Takumi and Marumoto,
Managers on the part of the House.

Senators Kanno, Baker and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 8 on H.B. No. 149

The purposes of this bill are to:

- (1) Require the Department of Public Safety (DPS) to implement all elements of a model system for managing security staff in correctional institutions; and
- (2) Reduce prison overcrowding by providing the DPS with greater flexibility to:
 - (a) Transfer inmates to out of state correctional facilities; and
 - (b) Develop Hawaii correctional facilities in other states.

This bill has been amended by:

- (1) Adding a section requiring the DPS to submit an annual report to the Legislature detailing positions within the Correctional Industries Program;
- (2) Allowing the Director of Public Safety to appoint exempt employees necessary for the Correctional Industries Program, provided that the number of employees does not exceed thirty in any fiscal year;
- (3) Including a new section stating that no officer or employee having tenure shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 149, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 149, S.D. 1, C.D. 1.

Representatives McMurdo, Tom, Yonamine, Chun Oakland and Meyer,
Managers on the part of the House.

Senators Grauly, Matsunaga and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 9 on H.B. No. 2179

The purpose of this bill is to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association and to allow a board to prohibit commercial solicitations. The bill further provides amendments to improve the complex condominium association management statutes and to support the goal of condominium property regime self-governance.

Specifically, the bill amends chapter 514A, Hawaii Revised Statutes, as follows:

- (1) Adds a new section on administrative or house rules to require boards to provide notice and copies of any proposed house rule prior to adoption and copies of any adopted house rule;
- (2) Amends the section on the recordation and contents of a declaration to require boards to mail proposed amendments to the declaration and ballots for voting within thirty days of the board's decision to amend, or within thirty days after the receipt of a petition for amendments to the declaration from apartment owners representing 25 per cent of the common interest, and to require the recordation of duly adopted amendments and amended floor plans;
- (3) Amends the section on contents of bylaws to require the inclusion of term limits for board members and to prohibit a director from voting on issues in which the director has a direct personal or pecuniary interest;
- (4) Amends the section on proxies to require additional choices on proxy forms; and
- (5) Amends the section on membership list to authorize a condominium board of directors to adopt reasonable rules to regulate the solicitation of proxies or distribution of materials relative to the association, to prohibit commercial solicitations, and to preclude the adoption of rules that prohibit solicitation of proxies or distribution of information on association matters.

After carefully considering the merits of the bill, your Committee has made the following amendments:

- (1) Deleted the proposed new section on administrative or house rules;
- (2) Deleted the proposed amendments to the section on recordation and contents of declaration;
- (3) Deleted the proposed amendments to the section on contents of bylaws;
- (4) Changed the proposed new language in the section on membership list so that instead of stating "a board of directors may adopt reasonable rules regulating the time, place, and manner of such solicitations or distributions," the provision now states "a board of directors may adopt rules regulating reasonable time, place, and manner of such solicitations or distributions";
- (5) Added a new section providing that the Real Estate Commission shall establish a plan for recodifying chapter 514A, Hawaii Revised Statutes, and submit a report on the plan to the Legislature not later than twenty days prior to the convening of the regular session of 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2179, H.D. 1, S.D. 1, C.D. 1.

Representatives Menor, Garcia, Hamakawa and Thielen,
Managers on the part of the House.

Senators Bunda, Chumbley, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 10 on H.B. No. 819

Your Committee on Conference finds that there has been an increase in graffiti damage to both public and private property by juveniles. Graffiti damage results in a blight on Hawaii's neighborhoods and communities. Your Committee on Conference believes that stronger measures need to be in place to address the defacement and destruction of property by juveniles.

In addition to holding a minor responsible for the actual cost of having the damaged property replaced or repaired, this bill holds parents and legal guardians directly accountable for their children's actions. Your Committee on Conference believes that parents and guardians should accept responsibility and liability when a minor in their charge damages property by graffiti.

This bill expands upon existing law. Hawaii Revised Statutes (HRS) §577-3 states that the father and mother of an unmarried minor shall jointly and severally be liable for the tortious acts of the minor. HRS §571-48(13) permits the court to order the parents of a minor to make restitution to the victim of the minor's crime. Your Committee on Conference feels that the policy implications in these two statutes should combine to create a law which specifically addresses the problem of graffiti by holding parents and guardians responsible for the damages resulting from their children's acts of graffiti.

HRS §706-641 recognizes the long-standing principle that the financial ability of a person to pay a fine should be considered upon imposition of the fine. Your Committee on Conference is cognizant of the fact that many minors, as well as their parents and legal guardians, do not have the financial ability to pay for the actual cost of the damage to property. Rather than pose an insurmountable and onerous financial burden on indigent parents and legal guardians, your Committee on Conference believes that the court should consider the financial resources of the minor, parents, and legal guardians when ordering payment for the actual cost of the crime.

Your Committee on Conference finds that this bill addresses the problems associated with graffiti damage and addresses the frustration and outrage of the public toward this specific type of criminal property damage offense. Graffiti involves

drawing, inscribing and marking property. Your Committee believes that the existing criminal property damage statutes encompass acts involving other forms of damage to property and has, therefore, limited this bill to graffiti damage.

Your Committee feels that if the financial burden of paying the actual cost of the property damage is such that a person cannot pay for the total damage, that the court be able to order the payment of a portion of the damage or order that the damages be paid pursuant to an installment plan or any other viable manner. Also, your Committee on Conference believes that the court should have the ability to order the minor to perform community service work to an extent necessary to cover the costs of the unpaid damage.

Your Committee on Conference has amended this bill by deleting the language of H.B. 819, S.D. 1, and inserting the language of H.B. 819, H.D. 1. In addition, this bill has been amended to allow the court to order partial payment, payment by installment, other viable manner, and community service to the extent necessary to cover the costs of damage where the court finds that paying the cost of total damages creates a financial hardship.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 819, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 819, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Swain, White, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Grauly, McCartney, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 11 on H.B. No. 1965

The purpose of this bill is to make appropriate changes for the public library system to continue the initiatives started in 1991 in the reexamination of public services, cost-effectiveness of operations, revenue incomes, and private support and donations.

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

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1965, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1965, H.D. 1, S.D. 1, C.D. 1.

Representatives Stegmaier, Kawakami and Anderson,
Managers on the part of the House.

Senators Ikeda, Chumbley, Kawamoto and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 12 on H.B. No. 898

The purpose of this bill is to authorize the issuance of special purpose revenue bonds of up to \$45,000,000 for the Kapiolani Health Care System and its not-for-profit subsidiaries to finance capital costs related to construction, renovation, and capital equipment purchases.

Your Committee has amended this measure by deleting the repeal of the sunset provision relating to special purpose revenue bonds for health care facilities in general since this matter is being handled in S.B. No. 1022.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 898, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 898, H.D. 2, S.D. 1, C.D. 1.

Representatives Pepper, Kawakami and Ward,
Managers on the part of the House,

Senators Ikeda, Baker, Kanno, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 13 on H.B. No. 1968

The purpose of this bill is to eliminate the requirement for each woman applicant for a marriage license to be screened for rubella. Instead, the bill requires persons who attend pregnant women to test the pregnant women under their care for immunity to rubella. In addition, the Department of Health will be required to make available to every woman applying for a marriage license a brochure regarding rubella.

Upon further consideration, your Committee has amended the bill by making technical amendments.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1968, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1968, H.D. 2, S.D. 1, C.D. 1.

Representatives Pepper, Tom, Kawakami, Hamakawa and Kawanakoa,
Managers on the part of the House.

Senators Ikeda, Baker, Kanno, Levin and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 14 on H.B. No. 813

The purpose of this bill is to create a rebuttable presumption of paternity based upon court ordered genetic testing with a threshold probability of paternity.

Your Committee on Conference finds that this bill's provision relating to establishing paternity based upon genetic testing will ensure compliance with the requirements of the Omnibus Reconciliation Act of 1993. Under this bill, court ordered genetic testing with a power of exclusion greater than 99 percent and a minimum combined paternity index of 500:1 will create a presumption that a man is the natural father of a child. Your Committee on Conference feels that a threshold probability at this level is sufficient to determine paternity.

This bill also provides for the use of a filed voluntary acknowledgment of paternity as a basis for establishing and enforcing a support obligation through judicial proceedings. Your Committee on Conference finds that this provision will allow for the expeditious enforcement of support obligations.

Your Committee on Conference finds that situations may arise where a presumed father has good cause to object to his earlier acknowledgment of paternity. To ensure that Hawaii Revised Statutes §584-4(6) will not preclude repudiation of a prior acknowledgment of paternity, your Committee on Conference has amended this bill to permit a good faith motion objecting to an acknowledgement of paternity.

Technical, non-substantive amendments have also been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 813, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 813, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Cachola, Hamakawa, White and Kawananaoka,
Managers on the part of the House.

Senators Grauly, Chumbley and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 15 on H.B. No. 1188

The purpose of this bill is to amend the existing law by adding a provision that no member of the State Ethics Commission (Commission) may holdover after the expiration of the member's term for more than 120 days, and that if the Governor fails to fill the position within 60 days of his receipt of the list of nominees from the Judicial Council, that the Council shall select the member.

The bill, as received by your Committee, provided for a 180 day maximum holdover period. Your Committee was of the opinion that 180 days was an excessively long period of time for holdover, and that the 120 day period would be more in keeping with filling a vacancy in a timely manner.

Accordingly, your Committee amended the bill by changing the holdover period from 180 to 120 days, and by adding "only" after "administrative purposes" for the purpose of clarification.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1188, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1188, S.D. 1, C.D. 1.

Representatives Tom, Kanohe and Kawananaoka,
Managers on the part of the House.

Senators Grauly, Matsunaga and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 16 on H.B. No. 1485

The purpose of this bill is to provide the Liquor Commission with the ability to revoke, suspend, or place restrictions or conditions on any liquor license if the licensee allows, or has been convicted of, criminal activity within the licensed premises.

Your Committee has amended the bill by:

- (1) Replacing the word "and" on page 1, line 8, with the word "or";
- (2) Clarifying that adjacent related outdoor areas mean those under the licensee's control;
- (3) Deleting a reference to vibration codes since they are non-existent;
- (4) Expanding the scope of activities that are potentially injurious to the public in areas under the control of liquor licensees; and

- (5) Identifying the particular procedures that must be followed before a license can be denied, revoked, suspended, or placed conditions or restrictions upon:
- (A) Petition of the administrator of the appropriate county agency;
 - (B) Proper notice to the licensee; and
 - (C) A hearing before the appropriate county liquor commission pursuant to chapter 91, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1485, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1485, H.D. 2, S.D. 1, C.D. 1.

Representatives Takumi, Menor, Tom, Ito and Meyer,
Managers on the part of the House.

Senators Grauly, Holt, Matsuura and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 17 on H.B. No. 1770

The purpose of this bill is to better promote the State's agricultural products and industry by requiring the Department of Agriculture (DOA) to:

- (1) Explore the feasibility of expanding its "Island Fresh" campaign to encompass national and international export markets; and
- (2) Develop and initiate a program with the private sector to promote the expanded campaign.

It is your Committee's understanding that the "Island Fresh" campaign was developed to promote the State's agricultural industry by encouraging Hawaii consumers to buy local products. However, your Committee also recognizes the vast economic potential of the export market for Hawaii's agricultural industry, and therefore believes that it is timely to examine the appropriateness of the "Island Fresh" campaign by expanding or modifying the campaign to promote Hawaii's agricultural products to their best advantage.

Your Committee has amended this bill by:

- (1) Specifying that the DOA also consider adding the following titles to the name "Island Fresh": "Island Fresh From Hawaii", "Hawaii Fresh", "Hawaii Made", and others; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1770, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1770, S.D. 1, C.D. 1.

Representatives Morihara, Swain and Halford,
Managers on the part of the House.

Senators Kanno, Baker, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Con. Com. Rep. 18 on H.B. No. 26

The purpose of this bill is to create more flexibility for transporting vehicles interisland.

In listing the documents which must be submitted to the shipper if the registered owner is not the legal owner is the notarized written consent of the legal owner thereof to the transportation. The Senate version used "shipper", rather than "transportation."

Your Committee on Conference has amended this bill by substituting "transportation" for "shipper" to make it consistent with Section 286-57, Hawaii Revised Statutes, Unlawful removal of motor vehicles from State.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 26, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 26, H.D. 2, S.D. 1, C.D. 1.

Representatives Hiraki, Menor, Case, Yoshinaga and Meyer,
Managers on the part of the House.

Senators Holt, Fernades Salling, Iwase and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 19 on H.B. No. 1385

The purpose of this bill is to clarify the food, drug, and cosmetic law as to generic drug substitution for prescriptions.

This bill establishes prescription procedures for generic substitution. It also deletes "dispenser" and inserts "pharmacist"; deletes "prescriber" and inserts "practitioner"; and amends the affected sections accordingly. The definition section is amended to apply to the entire chapter and not just Part VI.

Your Committee made technical amendments pursuant to a request from the Legislative Reference Bureau.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1385, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1385, H.D. 2, S.D. 1, C.D. 1.

Representatives Pepper, Menor, Kanoho, Saiki and Anderson,
Managers on the part of the House.

Senators Holt, Iwase and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 20 on H.B. No. 1790

The purpose of this bill is to recognize game mammals such as the feral pig for cultural and subsistence purposes.

Your Committee sought to strike a balance between the need to recognize game mammals for cultural and subsistence purposes and the need to protect other natural resources which may be threatened by these mammals. Your Committee was particularly concerned about the impact that certain game mammals may have on the habitats of threatened or endangered species. Therefore, your Committee believed that the recognition of game mammals should be limited to where continued existence of these mammals do not threaten the habitats of threatened or endangered species. At the same time, however, striking this fine balance requires not just any threat to a habitat but rather a substantial threat before game mammals are precluded from being recognized for cultural and subsistence purposes. Your Committee has therefore, inserted the following condition on page 5, line 5:

"where continued existence of these mammals do not pose a substantial threat to essential or critical habitats of threatened or endangered species."

This bill has been further amended to broaden its application by deleting references to specific chapters of the Hawaii Revised Statutes on page 5, lines 4 to 5. This amendment ensures that game mammals may be recognized when consistent with all other laws, including those that may be enacted in the future.

Technical, nonsubstantive amendments were also made for the purpose of clarity.

Finally, your Committee acknowledges the significant role of the feral pig for subsistence purposes. In this regard, your Committee supports efforts to better manage this valuable resource, especially in rural regions of this State that are suffering from economic distress as well as in those areas in which subsistence hunting is an integral part of the residents' lifestyle.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1790, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1790, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Shon, Garcia, Tarnas and Ward,
Managers on the part of the House.

Senators Tanaka, Fernnades Salling and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 21 on H.B. No. 2013

The purpose of this bill is to clarify certain provisions relating to the State conservation district by:

- (1) Including references to "state marine waters" in the definition of "conservation district";
- (2) Including special management area permits as one of the grounds for an applicant to request the Department of Land and Natural Resources (DLNR) for an extension before rendering its decision on a conservation district use permit;
- (3) Increasing the extension period from 90-days to not more than 180-days; and
- (4) Authorizing the Board of Land and Natural Resources, on its own motion, to provide for an extension period.

Your Committee remains concerned that the inclusion of "state marine waters" to the definition of "conservation district" might be applied in a manner that could adversely impact commercial harbor and shipping activities. Accordingly, your Committee has amended Section 183C-6(a), Hawaii Revised Statutes, by specifying that, in regulating land use in the conservation district through the issuance of permits, DLNR has no jurisdiction over activities within the commercial harbors.

Technical, nonsubstantive amendments to the bill have also been made for the purposes of style and clarity, and a technical drafting error has been corrected.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2013, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2013, H.D. 1, S.D. 1, C.D. 1.

Representatives Takamine, Santiago, Garcia, Nekoba and Meyer,
Managers on the part of the House.

Senators Iwase, Ige and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 22 on H.B. No. 715

The purpose of this bill is to toughen the laws regarding driving under the influence of intoxicating liquor or drugs.

This bill, as received by your Committee, would:

- (1) Establish a felony offense for those who are convicted of habitually driving under the influence of intoxicating liquor or drugs;
- (2) Lower the blood alcohol concentration threshold from .10 to .08;
- (3) Reduce the period of administrative license revocation for repeat offenders and arrestees who refuse to be tested;
- (4) Increase the maximum amount of community service hours served and fines imposed for repeat offenders while reducing the period of license suspension and maximum jail time; and
- (5) Eliminate the requirement of providing proof of financial responsibility following an administrative revocation proceeding or first time conviction for driving under the influence.

Your Committee on Conference believes that this measure will send a strong message against driving while intoxicated. Your Committee finds that lowering the blood alcohol concentration from .10 to .08, establishing a felony offense for habitually driving under the influence, and increasing the maximum amount of community service and fines imposed are important steps in strengthening the DUI law.

While your Committee limits the maximum length of jail sentences for repeat offenders to expedite the processing of DUI cases per State v. Lindsey, this is not meant to minimize the seriousness of the DUI offense. In general, a jail sentence is rarely, if ever, imposed until the third DUI offense. Therefore reducing jail time should not have a substantial impact on the length of sentences served.

Your Committee has amended the bill to:

- (1) Amend "blood alcohol concentration" to "alcohol concentration" to include both blood and breath testing;
- (2) Delete language reducing driver license suspension and revocation periods for repeat offenders so that the language of the bill reflects the current statutory language; and
- (3) Make other technical, non-substantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 715, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 715, H.D. 1, S.D. 2, C.D. 1.

Representatives Hiraki, Tom, Case, White and Ward,
Managers on the part of the House.

Senators Grauly, Fernandes Salling, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 23 on H.B. No. 87

The purposes of this bill, as received by your Committee on Conference, are to:

- (1) Provide the counties with the authority to determine the level of traffic violation fines; and
- (2) Revise the requirement that pedestrians violating part VII of the traffic code must present identification upon a police officer's demand.

Your Committee on Conference finds that there must be a balance between the permissible actions of police officers with respect to their interactions with the public, and the need for police officers to obtain accurate information upon citing members of the public for violations of the traffic code.

Your Committee on Conference finds that unlike the requirement that a driver operating a motor vehicle must display a driver's license upon the lawful order of a police officer, it is unreasonable for a police officer to order a pedestrian to display identification for a violation of the traffic code unless the pedestrian is providing the officer with false information

relating to the person's name and address. Thus, if an officer has reasonable grounds to believe that a pedestrian is furnishing inaccurate information with respect to the pedestrian's name and address, such as verification from police dispatch that the information is misleading, the officer may order the pedestrian to produce identification.

This bill designates two subsections to Hawaii Revised Statutes (HRS) section 291C-172. In order to proscribe the permissible actions of police officers with respect to pedestrians, this bill adds subsection (b) which allows police officers to ask pedestrians for identification only when there is reasonable grounds to believe that the pedestrian is acting in a deceptive or misleading manner in providing their name and address.

Your Committee on Conference has amended this bill by:

- (1) Deleting language providing the counties with the authority to set the amount of traffic violation fines; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 87, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 87, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Takumi, Say, White and Kawanakoa,
Managers on the part of the House.

Senators Graulty, Ikeda, Fernandes Salling, McCartney and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 24 on H.B. No. 181

The purpose of this bill is to restrict the exemption from the rules and standards concerning fingerprinting as they relate to minors.

Your Committee on Conference finds that the Automatic Fingerprint Identification System (AFIS) has proven to be an effective tool for law enforcement in identifying the perpetrators of criminal acts.

The inclusion of juvenile fingerprints in AFIS provides an important investigative resource to address the increasing rate of juvenile crime.

Your Committee on Conference believes that the current law with respect to juvenile fingerprints is too restrictive. Many times fingerprint evidence in felony as well as non-felony cases, such as car break-ins or thefts involving items of substantial value, is the only link to the perpetrator.

At the same time, a law which would include all juvenile fingerprints in the system, regardless of gravity of the offense, would seem overbroad in light of the purposes and goals of the juvenile justice system.

Under Hawaii's Family Court system, children are treated differently than adults, and your Committee on Conference finds that the public interest can best be served by including within the AFIS system the fingerprints of those juveniles, twelve and over, who have demonstrated a propensity to engage in offenses of a more serious nature.

Your Committee on Conference has, therefore, amended this measure to permit the entry of juvenile fingerprints into AFIS both when a felony-type offense has been committed and also when there has been an act involving theft in excess of \$100 or criminal property damage in excess of \$100.

As a matter of basic fairness, and in accord with the philosophy and goals of the juvenile justice system established in this State, your Committee on Conference believes that children's fingerprints should be purged from the system if they are in fact innocent of the conduct alleged or if the charge against the child is not pursued. The measure has been amended to clarify that it is the Department of the Attorney General that is responsible for purging the records.

Of course, there will be times where a child's fingerprints should remain part of the system even when there is no adjudication as to a particular charge. Such a situation may arise, for example, where there are other charges which have resulted in an adjudication of the minor. For this reason, your Committee on Conference has included language in the measure to prevent purging of the records when there is some other authority for their placement into the AFIS system.

This measure also provides that the Department of the Attorney General is required to purge a juvenile's fingerprint records from AFIS when the person reaches the age of twenty five. Your Committee feels that twenty five is the appropriate age to remove the fingerprints from the system because this is the age at which all other juvenile records are purged.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 181, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 181, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Cachola, Herkes, White and Kawanakoa,
Managers on the part of the House.

Senators Graulty, McCartney, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 25 on H.B. No. 1499

The purpose of this bill, as received by your Committee, is to amend the law concerning the requirements for filing statements for the disclosure of financial interests.

Presently, candidates for state elective offices or the constitutional convention are required to file disclosure statements by April 30. If their financial interests are substantially the same as the previous disclosure period, only a short form must be filed with the Hawaii State Ethics Commission (Commission).

The present law is ambiguous since the criterion is not clear for determining the substantial similarity between disclosure reports to allow for the filing of a short form rather than a long form and, subsequently causes confusion on the part of candidates as well as the Commission staff who review the disclosures.

Accordingly, your Committee has amended the law by requiring long form disclosure on all even-numbered years and short form disclosure on odd-numbered years if the financial interests of the candidate are substantially similar as the previous disclosure period. This requirement would create a consistency in the filing of long-form disclosure statements in every even-numbered year, which would coincide with election years. The said filing would give the public an opportunity to review a candidate's current financial status prior to the election.

Also, your Committee provided a definition of the term "substantially the same" to refer to no more than ten amendments or changes to the information reported for the preceding disclosure period.

Finally, your Committee extended the filing date from April 30 of each year to May 31 to afford sufficient time for candidates to prepare disclosure forms after the close of the legislative session.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1499, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1499, H.D. 1, S.D. 1, C.D. 1.

Representatives Tom, Hamakawa and Kawanakoa,
Managers on the part of the House.

Senators Grauly, Chumbley, McCartney and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 26 on H.B. No. 1853

The purpose of this bill is to authorize the Hawaii Criminal Justice Data Center (HCJDC) and the agencies acting on the HCJDC's behalf to charge fees for services related to criminal history record information.

The demand for criminal history record information has escalated tremendously in recent years due to increased requests from criminal justice agencies, private entities, and the general public. Your Committee on Conference finds that charging fees for services related to criminal history record information will allow the HCJDC to recoup a portion of the costs associated with providing this information. It is expected that this increased source of revenue will improve the efficiency of the HCJDC in providing timely, accurate, and complete criminal history record information.

This bill exempts child care facilities which are mandated to perform criminal history record checks and non-profit charitable organizations under the Internal Revenue Code section 501(c)(3) from the requirement to pay criminal history record check fees.

Your Committee on Conference is aware of another bill pending before the Legislature which repeals the exemption allowing revolving fund expenditures without legislative appropriation. If this particular bill is passed, the criminal history record improvement revolving fund, which is established pursuant to the instant bill, will not have the requisite authorized appropriation that is necessary for funds to be deposited and expended. Consequently, your Committee on Conference has amended this bill to appropriate moneys from the criminal history record improvement revolving fund.

In addition, technical, non-substantive amendments have been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1853, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1853, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, Say, Swain, M. Oshiro and Thielen,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 27 on H.B. No. 1857

The purpose of this bill is to amend the Child Support Enforcement Law to:

- (1) Authorize the Child Support Enforcement Agency (CSEA) to release information on a parent who is at least three months delinquent in child support payments;
- (2) Authorize CSEA to charge a reasonable fee to any consumer reporting agency that requests the information;

- (3) Clarify that a child support order shall be recorded in the Bureau of Conveyances or filed in the Land Court after filing in the Circuit Court; and
- (4) Require the Attorney General to appoint an assistant administrator and a staff attorney.

Upon further consideration, your committee has amended this measure by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1857, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1857, H.D. 2, S.D. 2, C.D. 1.

Representatives Tom, Kanoho, Hamakawa, Ito and Marumoto,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 28 on H.B. No. 2023

The purpose of this bill is to expand and clarify the class of persons who may file a claim with the Criminal Injuries Compensation Commission (Commission) and to provide for a more efficient and expeditious processing of compensation claims.

This bill broadens the definition of "relative" by including stepchild and stepsibling relations. In the past, claims for expenses incurred by these persons were denied because of the less inclusive definition of "relative".

Additionally, this bill requires the Commission to assign cases to the administrator for a determination of eligibility. Your Committee on Conference believes that the processing time for applicants to be notified of their eligibility and to receive compensation will be reduced by this provision.

Your Committee on Conference notes that because the administrator is the person responsible for making eligibility determinations, there cannot be an appeal to the Commission without first obtaining a ruling from the administrator. Therefore, your Committee on Conference has amended this bill by removing the superfluous language with respect to appeals from the administrator's determination of eligibility.

Technical, non-substantive amendments have also been made.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2023, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2023, S.D. 2, C.D. 1.

Representatives Tom, Kanoho, Alcon, Yamane and Kawananaoka,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 29 on H.B. No. 2038

The purpose of this bill is to consolidate the criminal tax penalties under Title 14 of the Hawaii Revised Statutes.

The bill, as referred to your Committee, provided for an eight year statute of limitations for criminal penalties and omitted the provision of imprisonment for up to three years for making false and fraudulent statements.

Your Committee was of the opinion that eight years may be an excessively lengthy period to commence prosecution and that although six years was in conformance with federal law, a compromise position of providing a seven year statute of limitations would be fair and equitable. This additional one-year period beyond the federal law affords the State the time to gather information and prepare its prosecution.

Accordingly, your Committee amended this bill by changing the statute of limitations to seven years and inserting the provision of imprisonment for up to three years for the purpose of consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2038, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2038, H.D. 2, S.D. 2, C.D. 1.

Representatives Tom, Say, Suzuki, White and Marumoto,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 30 on H.B. No. 1244

The purpose of this bill, as received by your Committee, is to transfer regulatory authority over activity providers and activity desks from the Department of Commerce and Consumer Affairs to the counties.

Specifically, the bill:

- (1) Extends the repeal date of the activity provider and activity desk law to December 31, 1995; and
- (2) Requires the counties, effective January 1, 1996, to adopt ordinances to regulate activity providers and activity desks, including the establishment of fees.

After carefully considering the merits of the bill, your Committee has amended the measure by deleting its substantive contents and inserting a provision that extends the repeal date of the activity provider and activity desk law to June 30, 1998.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1244, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1244, S.D. 1, C.D. 1.

Representatives Menor, Takumi, Nakasone, White and Meyer,
Managers on the part of the House.

Senators Holt, Iwase and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 31 on H.B. No. 1977

The purpose of this bill is to clarify laws pertaining to: safe drinking water; water pollution; noise pollution; solid waste pollution; hazardous waste; underground storage tanks; used oil transport, recycling, and disposal; and asbestos.

Specifically, this bill:

- (1) Conforms state water pollution laws to federal requirements;
- (2) Allows any person to commence a civil suit for alleged violations of air pollution control laws after June 30, 1996;
- (3) Provides that monetary penalties may be imposed through administrative proceedings and civil lawsuits for violations of the aforementioned laws;
- (4) Defines domestic sewage, sewage sludge, and household waste;
- (5) Amends the law pertaining to water pollution to authorize the Director of Health to control management practices, including conditions for permits, for sewage sludge;
- (6) Amends the law pertaining to water pollution to allow the Governor or the Director of Health to order any person causing or contributing to the discharge of waste to immediately reduce or stop such a discharge or to reduce, stop, or change the management practice contributing to the practice;
- (7) Amends the law pertaining to water pollution to allow the Director of Health to require management practices among the recordkeeping and monitoring requirements; and
- (8) Amends the laws pertaining to water pollution and used oil transport, recycling and disposal, to establish non-criminal penalties for obstructing inspections.

Your Committee on Conference has amended this bill by:

- (1) Changing the date that allows a person to commence a civil suit for alleged violations of air pollution control laws from after June 30, 1996, to after June 30, 1995;
- (2) Clarifying that Section 4 of the Act shall not apply to violations of permits related to agricultural burnings prior to April 1, 1996; provided further that the Governor shall have the discretion to extend this date an additional three months to accomplish the purposes of this Act;
- (3) Retaining the phrase "cease and desist order" for the purpose of clarity and consistency;
- (4) Clarifying that rules adopted pursuant to the statutory chapters being amended shall remain in effect until the rules are amended, repealed, or replaced; and
- (5) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is disappointed that all parties did not bring forward their concerns in a timely fashion, nor did they submit legislation this year. It is the intention of your conferees that work on the renewal of agricultural burning permits shall be completed by January 1, 1996, and that the additional extension is provided only for unforeseen circumstances. Your Committee on Conference shares the concern that the Department of Health could be moving more rapidly to resolve this issue and is determined that the issue be completely resolved so as to require no further legislation in 1996.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1977, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1977, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Tom, M. Oshiro, White and Thielen,
Managers on the part of the House.

Senators Grauly, Tam, Chumbley and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 32 on H.B. No. 112

The purpose of this bill is to provide greater openness in the proceedings of the State Ethics Commission (Commission).

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that the Commission has jurisdiction for the purposes of investigation and taking action on alleged violations within six years of an alleged violation;
- (2) Providing that a public hearing on any violation shall be held within ninety days of the Commission's issuance of a notice of hearing;
- (3) Adding a provision with respect to the filing of frivolous charges; and
- (4) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 112, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 112, H.D. 2, S.D. 2, C.D. 1.

Representatives Kanohe, Tom, Arakaki, White and Kawanakoa,
Managers on the part of the House.

Senators Grauly, Kanno, Matsuura and McCartney,
Managers on the part of the Senate.

Conf. Com. Rep. 33 on H.B. No. 1311

The purpose of this bill is to allow purchasers of housing from the Housing Finance and Development Corporation (HFDC) to receive, in hardship circumstances, an exemption from the owner occupancy requirement. The bill also encourages HFDC to incorporate starter homes in its affordable housing projects.

Your Committee has amended the bill by:

- (1) Citing specific examples of hardship circumstances;
- (2) Establishing a maximum of ten years for the waiver of the owner occupancy requirement;
- (3) Establishing conditions for the granting of waivers;
- (4) Requiring HFDC to adopt rules to implement the exemption, and specifying issues that these rules must address; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1311, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1311, H.D. 1, S.D. 1, C.D. 1.

Representatives Arakaki, Kahikina and Kawanakoa,
Managers on the part of the House.

Senators Bunda, Chumbley, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 34 on H.B. No. 1763

The purpose of this bill is to expedite the regulatory process relating to the reconstruction, restoration, repair, and use of Hawaiian fishponds.

This bill:

1. Exempts the proposed reconstruction, restoration, repair, and use of Hawaiian fishponds from the requirements of the Environmental Impact Statement (EIS) law upon compliance with seven conditions;

2. Requires the Department of Land and Natural Resources (DLNR) to actively assist applicants applying for permits, certifications, and approvals to reconstruct, restore, repair, and use Hawaiian fishponds;
3. Adds a new section to the water pollution law by requiring:
 - (a) The Department of Health to process applications for permits and water quality certifications for the reconstruction, restoration, repair, and use of Hawaiian fishponds prior to all other permits and certifications; and
 - (b) The Director of Health to render a decision relating to Hawaiian fishponds:
 - (1) On the completeness of any application within thirty days of receipt; and
 - (2) On completed applications within 150 days; and
4. Amends the conservation district law to require conservation district use permits for the reconstruction, restoration, repair, or reuse of Hawaiian fishponds exempted from the requirements of the EIS law to provide for compliance with the conditions set forth in the new chapter on Hawaiian fishponds.

Your Committee has amended this bill by:

1. Inserting a purpose section;
2. Inserting into the definition of "Hawaiian fishponds" the term, loko pu'uone, as another form of fishponds; and also including a description of loko pu'uone;
3. Allowing traditional recreational activities to take place in fishponds by exempting them from the requirement that fishponds are not to be used for water recreational purposes; and
4. Making technical, nonsubstantive revisions for the purpose of clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1763, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1763, H.D. 3, S.D. 2, C.D. 1.

Representatives Arakaki, Santiago, Tom, Kanohe and Kawanakoa,
Managers on the part of the House.

Senators Ikeda, Aki, Kawamoto, McCartney and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 35 on H.B. No. 929

The purpose of this bill is to transfer the Hawaii State Commission on the Status of Women from the Department of Human Services to the Office of the Lieutenant Governor and to reduce the membership of the commission to a more workable number. The bill also excepts the functions of the secretary I position in the transfer of the Commission.

Your Committee has amended this bill by:

- (1) Designating the Hawaii State Commission on the Status of Women as a statewide temporary agency;
- (2) Requiring that the chairperson of the committee shall be elected annually from its nongovernmental members; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 929, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 929, H.D. 2, S.D. 2, C.D. 1.

Representatives Chun Oakland, Tom, Kawakami, Saiki and Kawanakoa,
Managers on the part of the House.

Senators Ikeda, Grauly, Baker, Fernandes Salling, Solomon and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 36 on H.B. No. 1466

The purpose of this Act is to establish 5.5 positions to maximize the federal reimbursement generated from the various grants provided to the vocational rehabilitation division of the Department of Human Services (HMS 802).

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting sections 4, 6, 7, and 8 regarding appropriations;
- (2) Deleting the words "...funding and..." from page 1, line 6;

- (3) Deleting the words "...restricted funding and..." from page 1, line 7;
- (4) Renumbering section 5 as section 4, and section 9 as section 5; and
- (5) Rewording the first sentence of the new section 4 to be: "There shall be established 5.50 temporary positions to the vocational rehabilitation division of the department of human services to restore those positions which were eliminated due to executive action."

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1466, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1466, H.D. 2, S.D. 1, C.D. 1.

Representatives Chun Oakland, Kawakami, Nekoba, Saiki and Kawanakoa,
Managers on the part of the House.

Senators Ikeda, Aki, Matsuura and Taniguchi,
Managers on the part of the Senate.

Conf. Com. Rep. 37 on H.B. No. 1643

The purpose of this bill is to extend the "sunset" date of the Hospital and Nursing Facility Tax (Tax) from July 1, 1995, to July 1, 1997. The bill also:

- (1) Requires nursing facility operators to pay the Tax specifically to the Department of Human Services rather than the State;
- (2) Requires revenues from the Tax to be deposited directly to the existing Health Care Revolving Fund (Fund) rather than to the Fund via the general fund; and
- (3) Requires federal Medicaid matching funds to be deposited in the Fund rather than requiring the federal Medicaid matching funds not to become part of the Fund.

Your Committee has amended the bill by retaining the extension of the sunset date, but deleting all other proposed statutory amendments. Technical, nonsubstantive amendments were also made for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1643, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1643, H.D. 1, S.D. 1, C.D. 1.

Representatives Chun Oakland, Pepper, Say, Nakasone and Suzuki,
Managers on the part of the House.

Senators Ikeda, Matsuura, Aki and Taniguchi,
Managers on the part of the Senate.

Conf. Com. Rep. 38 on H.B. No. 1834

The purpose of this bill is to clarify and streamline the provisions of the Hawaii Public Procurement Code (Code), to achieve the objectives of cost-effectiveness and accountability which prompted its adoption.

Your Committee has amended this measure by:

- (1) Clarifying when a state agency may contract with a state employee or legislator;
- (2) Clarifying that the exemption from the Code for the procurement of services relating to the issuance and sale of State bonds includes services relating to the issuance and sale of county bonds as well;
- (3) Clarifying that unless specifically exempt, State agencies may contract for attorney services only with the approval of the Attorney General and waiver of the Governor; and county agencies do not require approval of the Attorney General to contract for attorney services;
- (4) Clarifying that agencies may publish more than one notice inviting persons engaged in providing professional services to submit current statements of qualifications and expressions of interest, and may publish additional notices if previously unanticipated needs for professional services arise;
- (5) Requiring that discussions and negotiations for professional services are to be held confidential;
- (6) Reestablishing mandatory centralized purchasing;
- (7) Repealing the Attorney General's duty to serve as legal counsel to the Procurement Policy Office and the Chief Procurement Officer; and
- (8) Amending the effective date to conform Act 188, Session Laws of Hawaii 1994, with the provisions of this bill.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1834, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1834, H.D. 2, S.D. 1, C.D. 1.

Representatives Say, Nakasone and Marumoto,
Managers on the part of the House.

Senators Fernandes Salling, Ikeda, Solomon, Tanaka, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 39 on H.B. No. 2107

The purpose of this bill is to establish a revolving fund--the Coffee Inspection Revolving Fund (Fund)--to provide inspection services by the Department of Agriculture (DOA) to ascertain and certify the grade, classification, quality, and condition of fresh and processed coffee.

This bill also requires that the coffee labeling requirement, "contains not less than ten percent Kona coffee," is to appear directly below the selected blend wording on the front panel of the label.

It is the intent of your Committee that the fees for the inspection services cover all costs of inspection and administration of the Fund, including any administrative fees related to the Fund that are assessed by the Department of Accounting and General Services.

Upon careful consideration, your Committee has amended this bill by:

- (1) Deleting the section with regard to the coffee labeling requirement;
- (2) Inserting the sum of \$1 into the appropriation section;
- (3) Specifying that the coffee growing industry may deposit moneys into the Fund;
- (4) Requiring the DOA to submit a report to the Legislature not later than 20 days before the convening of the 1996 Regular Session and the 1997 Regular Session on the progress and the actions taken to establish the Fund, including a report of the fees collected by the Fund;
- (5) Exempting the fees collected by the DOA pertaining to the Fund from deposit into the general fund, which is specified under Section 147-10, Hawaii Revised Statutes; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2107, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2107, H.D. 1, S.D. 1, C.D. 1.

Representatives Morihara, Kawakami, Isbell, Takai and Halford,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 40 on H.B. No. 298

The purpose of this bill is to permit chartered student organizations of the University of Hawaii system that are specifically organized to provide student publications or broadcast services to employ attorneys to provide legal advice or defend the organizations from lawsuits.

Your Committee finds that legal services are not readily available to chartered student organizations in a manner that affords the organizations timely and responsive legal representation and counsel. Chartered student organizations are unable to obtain legal representation and counsel from the Attorney General, because they are not considered to be "agents of the state".

Your Committee finds that this bill is crafted to provide the necessary protection while providing safeguards from abuse. The expenditure for an attorney must be approved by the Board of Regents, and public funds may not be expended for damages from any act or omission of the organization.

Your Committee finds that these organizations may need legal services for the purpose of defending such organizations in any litigation.

Upon careful consideration, your Committee has amended this bill by:

- (1) Clarifying that attorneys may only be used for the purpose of defending chartered student organizations against litigation;
- (2) Specifying that any chartered student organization specifically organized to provide student publications or broadcast services may also use attorneys to avoid a lawsuit; and

- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 298, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 298, H.D. 2, S.D. 2, C.D. 1.

Representatives Lee, Kawakami, Ito, Takai and Halford,
Managers on the part of the House.

Senators Ikeda, Ige, Iwase, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 41 on H.B. No. 123

The purpose of this bill is to provide a reasonable amount of funding from the state highway fund for the establishment of bikeways.

Your Committee on Conference expresses overwhelming support from the Legislature for the establishment of bikeways in Hawaii. The state has developed a comprehensive bikeway plan, and funding to initiate construction of bikeways is long overdue.

Rather than set a minimum or maximum amount for bikeway expenditures, your Committee has decided to give the Department of Transportation discretion to monitor its own bikeway expenditures. The Department of Transportation will transmit to the Legislature an annual report regarding bikeway expenditures and current projects. The Legislature reserves the option of revisiting bikeway funding in the event that the Department of Transportation fails to allocate reasonable funding for bikeways.

Your Committee has amended the bill to:

- (1) Provide language in the purpose clause indicating the Legislature's strong commitment to the establishment of bikeways;
- (2) Add language regarding the American Association of State Highway and Transportation Officials criteria for bikeways;
- (3) Delete \$10,000,000 ceiling for bikeway expenditures out of the state highway fund;
- (4) Delete references to county funding and maintenance of bikeways on county roads;
- (5) Require that bikeways be established, whenever practicable, wherever a highway, road, or street is being constructed, reconstructed, relocated, or rehabilitated;
- (6) Delete the section requiring the Department of Transportation to adopt rules under chapter 91 to carry out the purposes of this section;
- (7) Add a subsection requiring the Department of Transportation to report annually its bikeway expenditures and current projects to the Legislature;
- (8) Change the date this Act shall take effect from July 1, 2000 to July 1, 1995; and
- (9) Make technical, non-substantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 123, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 123, H.D. 2, S.D. 2, C.D. 1.

Representatives Hiraki, Say, Isbell, Ito and Ward,
Managers on the part of the House.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 42 on H.B. No. 1919

The purpose of this bill is to extend the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 2000.

Specifically, the bill:

- (1) Extends the repeal date of Act 190, Session Laws of Hawaii 1994, from June 30, 1996 to June 30, 2000. On that date, the insurance examiners revolving fund, the provisions relating to risk-based capital for life and health insurers, and other amendments to the insurance code will be repealed; and
- (2) Upon the repeal of Act 190 on June 30, 2000, the fund will be replaced by the provisions added by Act 280, Session Laws of Hawaii 1993, section 25, which have never become effective. That section provides, among other things, that moneys necessary for the compensation and reimbursement of independent contractor

examiners and insurance division staff examiners are to be allocated by the Legislature through appropriations out of the state general fund.

After carefully considering the merits of the bill, your Committee has amended the measure by adding provisions that do the following:

- (1) Make the laws pertaining to captive insurers consistent with other provisions in the insurance code by requiring captive insurance companies to meet the same statutory standards imposed upon other insurance companies concerning financial reporting, the penalty for the late filing of financial reports, and the due date for premium taxes;
- (2) Allow the Insurance Commissioner to adopt rules for the implementation of Article 5 of the Insurance Code, which relates to the financial condition of insurers; and
- (3) Allow the Insurance Commissioner to keep confidential any information received from the National Association of Insurance Commissioners or insurance departments of other states.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1919, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1919, H.D. 1, S.D. 2, C.D. 1.

Representatives Menor, Say, Nakasone, Yamane and Thielen,
Managers on the part of the House.

Senators Ikeda, Holt and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 43 on H.B. No. 1426

The purpose of this bill is to specifically exempt from the general excise tax, interest received by a person domiciled outside the state from a resident trust company acting as a trustee on behalf of the issuer of an interest bearing instrument.

This clarifying amendment does not change the Department of Taxation's current practice; therefore, the state will not experience any loss of tax revenue if this bill is implemented.

Your Committee has amended this bill by including "payees" on page 5, line 9 of the bill. This technical change, which the Department of Taxation concurs with, correctly reflects the possible relationships that may exist between a trust company and the issuer or payees of an interest bearing instrument or obligation.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1426, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1426, S.D. 2, C.D. 1.

Representatives Menor, Say, Kanoho, Yoshinaga and Ward,
Managers on the part of the House.

Senators Ikeda, Holt and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 44 on H.B. No. 1959

The purpose of this bill is to make the Medical Claims Conciliation Panel (MCCP) program and the Design Professional Conciliation Panel (DPCP) program more self-sufficient by authorizing the assessment of fees for the filing and processing of claims. This bill also changes the filing fees of the DPCP to bring them in line with the MCCP and reduces the amount of compensation to the MCCP and DPCP members.

Currently, the Department of Commerce and Consumer Affairs (DCCA) must bear the burden of administering the MCCP program. The establishment of non-refundable filing fees for the MCCP will help the DCCA to defray administration costs and the requirement of a deposit to pay panel members if a hearing is conducted will enable the MCCP program to become more self-sufficient.

Your Committee upon further consideration has made the following amendments to H.B. No. 1959, H.D. 2, S.D. 2:

- (1) Retained the current level of compensation for panel members;
- (2) Provided for the assessment of \$450 to parties who file claims before the MCCP;
- (3) Provided the Director of Commerce and Consumer Affairs the option of waiving the filing fees for indigent claimants;
- (4) Provided for payment of program costs from the filing fees paid by the claimants;
- (5) Deleted the section that applied the same provisions regarding fees and costs to the DPCP;
- (6) Changed the effective date to the date of approval; and

- (7) Made technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1959, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1959, H.D. 2, S.D. 2, C.D. 1.

Representatives Menor, Say and Ward,
Managers on the part of the House.

Senators Ikeda, Holt and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 45 on H.B. No. 1208

The purpose of this bill is to authorize the Director of Finance to invest in:

- (1) Federal Home Loan Bank notes and bonds;
- (2) Federal Home Loan Mortgage Corporation bonds;
- (3) Federal National Mortgage Association notes and bonds; and
- (4) Public funds in mutual fund portfolios comprising bonds or obligations issued or guaranteed by the United States government.

Your Committee has amended this measure by:

- (1) Making the Act effective upon approval; and
- (2) Making technical, nonsubstantive amendments for the purpose of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1208, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1208, H.D. 1, S.D. 1, C.D. 1.

Representatives Chang, Ito and Ward,
Managers on the part of the House.

Senators Ikeda, Kanno, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 46 on H.B. No. 1997

The purpose of this bill is to create the mechanism for enforcing the State Family Leave Law (Chapter 398, Hawaii Revised Statutes).

Your Committee has amended this bill by:

- (1) Further clarifying the definition of "serious health condition" in Section 398-1, Hawaii Revised Statutes, which refers to a physical or mental condition warranting the participation of the employee to provide care during the treatment or supervision by a health care provider; and
- (2) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1997, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1997, H.D. 3, S.D. 1, C.D. 1.

Representatives Yonamine, Tom, Say, Nakasone and Ward,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 47 on H.B. No. 2215

The purpose of this bill is to establish a means to stabilize and ultimately reduce homeowners' insurance costs by authorizing the Director of Finance to secure necessary funds to satisfy the share of liability currently reinsured by the Hawaii Hurricane Relief Fund, and increase the ceiling on the first revenue bond authorization from \$200,000,000 to \$500,000,000. This bill also amends the workers' compensation law to include police chaplains under the definition of volunteers eligible to receive workers' compensation benefits.

Your Committee finds that the rising cost of homeowners insurance requires corrective action. Since September, 1992, when Hurricane Iniki struck Hawaii, a great number of Hawaii's homeowners have lost their property insurance and premiums have increased three- to fourfold, despite the creation of the Hawaii Hurricane Relief Fund in 1993 for the purpose of encouraging companies to resume writing homeowners insurance policies.

To stabilize and reduce insurance rates, the state should explore alternative sources of funding to satisfy the \$500,000,000 share of liability currently reinsured by the Hurricane Relief Fund.

The Hurricane Relief Fund currently charges approximately \$1.75 per \$1,000 as its rate for hurricane coverage. Upon finding sources of funding to satisfy the Hurricane Relief Fund's liability, premium rates can be stabilized. In addition, the approximate \$80,000,000 a year that is currently collected by the Hawaii Hurricane Relief Fund will no longer be used for the purchase of reinsurance and will be left in the fund to accumulate over time, making Hawaii less vulnerable to rate increases caused by disasters in other parts of the world.

By insulating Hawaii homeowners insurance rates from external factors, the proposal will allow Hawaii to direct its own destiny on this matter, rather than depending on worldwide conditions in the insurance market.

Your Committee revised the bill by:

- (1) Removing the provisions relating to police chaplains;
- (2) Removing the appropriation section;
- (3) Providing that the act shall take effect on July 1, 1995; and
- (4) Making technical, non-substantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2215, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2215, H.D. 2, S.D. 1, C.D. 1.

Representatives Menor, Say, Cachola, Kanoho and Marumoto,
Managers on the part of the House.

Senators Ikeda, Holt and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 48 on H.B. No. 792

The purpose of this bill is to require the Legislative Reference Bureau to study the feasibility of an optional retirement plan for University of Hawaii employees based on a defined employer contribution rate.

Your Committee finds that a careful review of the impact of providing a private retirement plan should be made before the Legislature makes these options available to university employees. The University of Hawaii must compete with many other quality mainland institutions in recruiting top level academicians. Into this equation new professors consider not only salary and employee benefits, but also the quality of life and cost of living factors. Perhaps the availability of an optional retirement plan may make working for the University of Hawaii more attractive. However, the long term and public policy impacts are not certain. The experience of other schools in other states would be useful information to have. By directing this study by the Bureau, your Committee believes this type of information can be collected and analyzed to help the Legislature make a reasoned decision in a future session.

Upon careful consideration, your Committee has amended this bill by:

- (1) Including in the Legislative Reference Bureau study whether an optional portable retirement plan will enable the University of Hawaii to compete with other quality mainland institutions in recruiting top level academicians;
- (2) Including in the Legislative Reference Bureau study whether equity should be provided;
- (3) Deleting sections 4 and 5, regarding the appropriation for the Legislative Reference Bureau;
- (4) Renumbering section 6 as section 4; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 792, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 792, H.D. 2, S.D. 1, C.D. 1.

Representatives Lee, Yonamine, Say, Morihara and Anderson,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 49 on H.B. No. 111

The purpose of this bill is to clarify the law regulating lobbyists.

Specifically, this bill:

- (1) Consolidates all provisions regulating lobbyists into chapter 97, Hawaii Revised Statutes;
- (2) Redefines "lobbying" as attempting to influence legislative or administrative actions and ballot issues;
- (3) Adds a third report of lobbying expenditure to the current two required, each covering different periods during a year;
- (4) Raises registration and reporting thresholds to \$750;
- (5) Authorizes the Commission to confidentially investigate suspected noncompliance on its own initiative rather than wait to receive a verified complaint;
- (6) Clarifies the Commission's powers to include authority to prescribe forms, establish procedures, render advisory opinions, issue subpoenas, and make rules; and
- (7) Authorizes assessing an administrative fine of \$1,000 by the Ethics Commission in contested case hearings.

Your Committee has amended this bill by:

- (1) Making the \$750 spending threshold apply to any six month period of reporting, not any month;
- (2) Deleting the language authorizing the Commission to investigate suspected noncompliance on its own initiative; and
- (3) Changing the amount of the administrative fine from \$1,000 to \$500.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 111, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 111, H.D. 2, S.D. 1, C.D. 1.

Representatives Kanohe, Tom, Say, Nakasone and Marumoto,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 50 on H.B. No. 471

The purpose of this bill is to encourage and facilitate further development of the State's telecommunications industry.

Among other things, this bill:

- (1) Requires each telecommunications carrier, upon determination by the Public Utilities Commission (PUC), to provide services on reasonable terms and conditions to entities seeking to provide intrastate telecommunications;
- (2) Includes provisions for establishing a Universal Service Program and a Hawaii Advanced Telecommunications Foundation;
- (3) Requires the PUC to:
 - (a) Ensure that telecommunications number portability within an exchange is available upon request as soon as technically feasible and economically reasonable;
 - (b) Ensure that telecommunications carriers are compensated on a fair basis for termination of services on each other's network;
 - (c) Allow telecommunications carriers pricing flexibility, or provide alternatives to traditional rate-of-return regulation, subject to certain provisions;
 - (d) Ensure that noncompetitive services do not cross-subsidize competitive services;
 - (e) Ensure that consumers are provided with nondiscriminatory, reasonable, and equitable access to high quality telecommunications network facilities and capabilities; and
 - (f) Submit a report to the Legislature regarding competition in the State's telecommunications marketplace;
- (4) Authorizes the PUC to:
 - (a) Adopt, amend, or repeal rules to effect the introduction of competition in the State's telecommunications industry within ten days' notice of hearing; and

- (b) Exempt a telecommunications provider or service from the provisions of the PUC Law, except the section relating to the obligations of telecommunications carriers, provided the exemption is in the public interest; and
- (5) Defines "telecommunications carrier" or "telecommunications common carrier", and "telecommunications service" or "telecommunications".

Your Committee finds that the State's regulatory systems are being challenged to keep pace with the rapidly evolving telecommunications industry and technology. To be a viable participant in this expansive industry, statewide access to an advanced telecommunications infrastructure and technology is essential.

The thrust of this bill is to address the issue of competition with regard to the State's telecommunications industry. This bill also provides a means for increased competition within the telecommunications industry among telecommunications carriers. It is your Committee's belief that this bill supports the development of high-tech industries in the State to benefit consumers by facilitating the introduction of advanced services at competitive rates. Your Committee also believes that this bill facilitates extending telecommunications services to rural and underserved areas, and to public institutions, such as schools, libraries, and health care facilities. This measure also encourages telecommunications carriers to compete in Hawaii's market and provides a base to further emerging technologies such as telemedical services and educational applications.

It is your Committee's intent that increased and broader access by Hawaii residents to a range of telecommunications services will result in increased economic growth for the State, and will enhance public safety, public convenience, and the quality of life for Hawaii's residents. Your Committee believes that it is in the public interest to preserve and promote affordable, universal, and high-quality basic telecommunications services, and therefore provides guidelines for the PUC to use in defining definitions for the terms "affordable," "universal," and "basic" so that the parties affected by this bill will have a clear understanding of the definition and application of these terms. In addition, the PUC in determining a new intrastate local service interconnection tariff may wish to consider factors such as the elimination of the common carrier line charges and other contributions in developing this tariff.

Your Committee also notes the efforts of the parties involved in Docket No. 7702, the communications infrastructure docket, to examine the communications infrastructure of the State and to identify the infrastructure necessary to support the deployment and use of technologies and services in Hawaii. It is your Committee's belief that any efforts to pursue the establishment of an advanced telecommunications infrastructure and to increase telecommunications competition be accomplished in a prudent, orderly, and effective manner.

After lengthy deliberation and consensus, your Committee amended this bill by, among other things:

- (1) Specifying that the provision of services by telecommunications carriers to entities seeking to provide intrastate telecommunications are to be in accordance with conditions and guidelines established by the PUC, rather than upon PUC determination;
- (2) Providing that the current interstate tariff is to be used as the access rate until the PUC can adopt a new intrastate local service interconnection tariff;
- (3) Stipulating that any agreement by telecommunications carriers on provision of services is subject to PUC review;
- (4) Requiring the PUC to preserve and advance universal service, according to certain specifications;
- (5) Authorizing the PUC to expand or modify relevant programs under the Universal Service Program and clarifying the purposes of the Program;
- (6) Including the provision ensuring that all consumers be provided with access, at reasonably comparable rates, to all telecommunications services used by a majority of consumers located in metropolitan areas of the State;
- (7) Authorizing, rather than requiring, the PUC to allow telecommunications carriers to have pricing flexibility and deleting the provision that the PUC provide alternatives to traditional rate-of-return regulation;
- (8) Specifying that rates for basic telephone service and for services that are not effectively competitive are cost-based and remain just, reasonable, and nondiscriminatory;
- (9) Deleting references to:
 - (a) Criteria under the PUC's regulatory flexibility that rates for appropriate levels of contribution be made to public benefit;
 - (b) The Hawaii Advanced Telecommunications Foundation and related references to it; and
 - (c) Rulemaking by the PUC to introduce competition in the State's telecommunications industry;
- (10) Establishing a section relating to "carriers of last resort," whereby:
 - (a) The PUC may define and designate local exchange service areas where it has determined that providing universal service funds to a single provider will be the most appropriate way to ensure services for these areas;

- (b) The PUC is to determine the level of service that is appropriate for each designated local exchange service area and shall invite telecommunications providers to bid for an appropriate level of service; and
- (c) The Universal Service Fund is to provide service drops and basic service at discounted rates to public institutions;
- (11) Including under the Universal Service Fund:
 - (a) Requiring the PUC to adopt rules regarding the distribution of moneys from the Universal Service Fund, including reimbursements to carriers for providing reduced rates to certain carriers; and
 - (b) Authorizing the PUC to allow distribution of funds directly to customers based upon a need criteria established by the PUC;
- (12) Providing definitions for "designated local exchange service area", "carrier of last resort", and "underserved areas";
- (13) Including "telecommunications carrier" or "telecommunications common carrier" under the "public utility" definition of the PUC Law; and
- (14) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 471, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 471, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Menor, Say, Jones and Meyer,
Managers on the part of the House.

Senators Fukunaga, Holt, Ikeda, Ige, Iwase, Solomon and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 51 on S.B. No. 1868

The purpose of this bill is to establish a mechanism for the recodification of the education statutes to reflect recent systemic education reform initiatives of the past several years. Specifically, the bill establishes an interim statutory revision study group to be co-chaired by the chairpersons of the Senate Committee on Education and the House of Representatives Committee on Education. The interim study group will include representatives from the constituency of the public school community, and the study group may request the assistance of educational consultants and legislative staff, including the Legislative Reference Bureau. Further, the interim study group, with the assistance of the Legislative Reference Bureau, is requested to apply a proposed organizational framework to the existing education statutes and submit proposed legislation based upon the framework prior to the 1996 regular session.

Upon further deliberation, your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau to apply the organizational framework to the existing statutes;
- (2) Requesting that the interim study group, with the assistance of the Legislative Reference Bureau, create such further subdivisions as is deemed necessary for proper statutory construction; and
- (3) Requesting that the Legislative Reference Bureau submit a report of findings and recommendations along with proposed legislation to the co-chairs prior to the convening of the 1996 regular session.

Your Committee notes that these amendments clarify that the Legislative Reference Bureau shall be placed in a role of assisting and advising the interim study group.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1868, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1868, S.D. 1, H.D. 1, C.D. 1.

Representatives Stegmaier, Kanoho, Morihara, Tarnas and Ward,
Managers on the part of the House.

Senators Chumbley, Kawamoto and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 52 on S.B. No. 15

The purpose of this bill is to expedite the state land use decision-making process.

This bill would require the State Land Use Commission (LUC) to approve, deny, or modify a land use petition no later than one year after a petition is filed with the LUC, except if the petition involves an intervenor, or if a time extension is stipulated by the parties.

Upon further consideration, your Committee finds that the LUC should be able to extend the one year decision-making deadline only upon a two-thirds vote of the members of the LUC for a period not to exceed ninety days, and has amended this bill accordingly.

Your Committee has also amended this bill to require that the LUC promulgate rules to effectuate the purpose of the Act, and to change the effective date of section 1 of the bill to December 31, 1995, in order to give the LUC time to promulgate the rules.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 15, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 15, H.D. 1, C.D. 1.

Representatives Takamine, Nekoba, M. Oshiro, Tarnas and Meyer,
Managers on the part of the House.

Senators Iwase, Tanaka and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 53 on S.B. No. 500

The purpose of this bill is to eliminate the requirement for petroleum marketers to install new devices which automatically and continuously compensate for volumetric changes in fuels due to temperature fluctuations during non-bulk sales.

Specifically, the bill:

- (1) Prohibits manufacturers, jobbers, and retailers from intentionally:
 - (A) Affecting the temperature of liquid petroleum products to benefit from the effects of thermal expansion and contraction; and
 - (B) Scheduling the delivery of liquid petroleum products to benefit from the effects of thermal expansion and contraction;
- (2) Requires that metered sales of liquid petroleum that have a rated capacity of two hundred gallons per minute or more utilize a device which automatically compensates for temperature fluctuations during dispensation;
- (3) Requires that partial compartment or partial tank truck deliveries be dispensed through a meter that meets the requirements specified in rules adopted by the Department of Agriculture; and
- (4) Establishes a civil penalty for violations of the above referenced prohibitions.

Your Committee finds that, as with other products in liquid form, liquid petroleum products are affected by thermal expansion and contraction. The expansion and contraction of the product affects the accuracy in which meters measure the amount of product that is dispensed. Automatic Temperature Compensating (ATC) devices account for the thermal expansion and contraction of the product being dispensed, thereby resulting in more accurate product measurements.

However, your Committee finds that:

- (1) Currently, all liquid petroleum products dispensed at refinery racks are continuously compensated for the effects of thermal expansion and contraction by ATC devices;
- (2) Most refinery racks deliver liquid petroleum products at rates between four hundred and six hundred gallons per minute;
- (3) Typically, gasoline pumps at retail service stations dispense gasoline at a rate of ten gallons per minute;
- (4) The effects of thermal expansion and contraction is compensated for at the gasoline pumps by using a formula that adjusts the measurement of gasoline to the sixty degree standard;
- (5) The temperature in Hawaii is predictable, with little variation compared to the mainland United States;
- (6) The cost of installing ATC devices at gasoline pumps would be prohibitively high, between \$1,225 and \$4,800 per pump; and
- (7) Even under the most extreme temperature variations, if ATC devices are required at gasoline pumps, the typical benefit/loss to a consumer or reseller would be insignificant.

In light of the aforementioned information, your Committee believes that the costs of requiring liquid petroleum products delivered at a rate less than two hundred gallons per minute to be continuously compensated for temperature fluctuations by using ATC devices far exceeds the potential benefits to the consumer, and the consumer will ultimately pay for the cost increase, while enjoying very little or no increase in benefits.

Upon further consideration, your Committee has amended the bill by deleting the proposed language contained in section 2 of the bill and making technical, stylistic amendments which have no substantive effect.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 500, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 500, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Garcia, Hamakawa and Thielen,
Managers on the part of the House.

Senators Kanno, Baker and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 54 on S.B. No. 424

The purpose of this bill, as received by your Committee, is to establish a pilot program for the expansion of Aikahi Elementary School.

Upon further consideration, your Committee has amended this bill by deleting the House draft and substituting therefor the Senate draft which establishes an interim study group to develop legislation to permit the Department of Education to enter into lease agreements for the acquisition of public school facilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 424, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 424, S.D. 1, H.D. 1, C.D. 1.

Representatives Stegmaier, Say, Kanoho, Tarnas and Halford,
Managers on the part of the House.

Senators Graulty, Chumbley and McCartney,
Managers on the part of the Senate.

Conf. Com. Rep. 55 on S.B. No. 995

The purpose of this bill, as received by your Committee, is to transfer the responsibility for licensing private schools and certifying private school personnel from the Department of Education to a private school licensing and certification commission established as a nonprofit entity.

Upon further consideration, your Committee finds that the licensing and certifying of private schools and their personnel has been a ministerial function of the Department of Education which should now be assumed by the private school community, especially in light of the State's limited resources. Your Committee further finds that the decision to send a child to a private school is an individual choice, and thus the regulation of private schools and their personnel should be monitored by the constituency of the private school community.

Your Committee, therefore, has amended this measure by deleting the contents of the House Draft No. 2 and inserting provisions which repeal the Department of Education's responsibility for certification of private schools and private school teachers under chapters 297 and 298, Hawaii Revised Statutes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 995, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 995, S.D. 1, H.D. 2, C.D. 1.

Representatives Stegmaier, Menor, Cachola, Takai and Halford,
Managers on the part of the House.

Senators Chumbley, Tam and Bunda,
Managers on the part of the Senate.

Conf. Com. Rep. 56 on S.B. No. 1320

The purpose of this bill is to reduce the use of herbicides by requiring governmental agencies responsible for the maintenance of public roadsides to adopt nonchemical and integrated vegetation management programs whenever possible.

Your Committee on Conference amended the bill by:

- (1) Expressing the Legislature's desire that herbicide usage be reduced by twenty-five percent by 1996, and by fifty percent by 1997;
- (2) Stating the conditions when herbicides may be used;
- (3) Requiring the State and counties to report to the Legislature biennially on their integrated vegetation programs; and
- (4) Making other nonsubstantive amendments for clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1320, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1320, S.D. 1, H.D. 2, C.D. 1.

Representatives Shon, Hiraki, Isbell, Santiago and Thielen,
Managers on the part of the House.

Senators Fernandes Salling, Solomon, Taniguchi and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 57 on S.B. No. 1577

The purpose of this bill is to authorize the Department of Taxation, through the adoption of rules, to require every person who files a tax return for any tax to remit such taxes by electronic funds transfer. This bill also allows any person who is not required to remit taxes by electronic funds transfer to elect to do so with the approval of the Director of Taxation.

Your Committee finds that this bill will reduce the "float" period, which is the period from the time a taxpayer mails a check to the time the Department of Taxation deposits the check, thereby enabling the Department to earn additional interest income that is currently being lost.

Upon further consideration, your Committee on Conference has amended this bill by:

- (1) Specifying that the electronic funds transfer requirement be imposed only on those persons whose tax liability for any one taxable year exceeds \$100,000; and
- (2) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1577, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1577, S.D. 1, H.D. 1, C.D. 1.

Representatives Kawakami, Ito, Suzuki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kawamoto, Solomon, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 58 on S.B. No. 807

The purpose of this bill is to clarify the requirements for drug prescription labels.

Your Committee believes that consumers should have the option of having prescription drug labels printed with the symptom or condition for which the drug is being prescribed. This bill, as amended, provides for procedures to effectuate the exercise of that option in a manner to protect the consumer's right to not have the symptom or condition listed on the label. Your Committee has amended this bill accordingly.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 807, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 807, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Herkes, Yamane, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Holt, Iwase and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 59 on S.B. No. 1161

The purpose of this measure is to allow savings banks, under limited circumstances, to invest in securities of or any other interest in any investment company or investment trust registered under federal law.

Upon further consideration, your Committee has amended this measure by:

- (1) Inserting a sunset provision effective September 1, 1996; and
- (2) Making a technical amendment to conform with proper statutory construction.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1161, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1161, H.D. 1, C.D. 1.

Representatives Menor, Cachola, Case, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Holt, Ihara and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 60 on S.B. No. 87

The purpose of the bill is to raise from \$5,000 to \$10,000 the maximum bail amount by which a pretrial inmate may be eligible for release under the emergency release program established in 1994.

Additionally, this measure requires the Director of Public Safety to notify the prosecuting attorney of an inmate's release, and extends the repeal date of the emergency release program from 1995 to 1997.

Your Committee recognizes the State's need to address the serious problem of prison overcrowding. The intent of this measure is to ease overcrowding and avoid future federal intervention by offering release to certain pretrial inmates. Further federal action could cause the undesired release of convicted criminals and, moreover, invite harsh fines against the State, ironically impairing even more the State's ability to build new prisons to alleviate overcrowding.

Your Committee views this measure as a temporary solution, and does not advocate the release of persons accused of serious, violent crimes. Releasing selected, non-violent pretrial inmates presents a practical short-term solution to prison overcrowding until more prisons can be built.

Accordingly, after full and free discussion, your Committee has amended this bill by shortening the extended repeal date of the release program from June 30, 1997 to June 30, 1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 87, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 87, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, McMurdo, Case and White,
Managers on the part of the House.

Senators Grauly, Chumbley, McCartney and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 61 on S.B. No. 158

The purpose of the bill is to hold parents of minors who are found responsible for graffiti damage jointly and severally liable for the damage, and to give counties the authority to impose civil fines on minors and their parents for graffiti damage.

Your Committee on Conference finds that graffiti has become a serious community concern. The problem has grown to the point where significant community resources and individual time must be dedicated for clean-up purposes on a regular basis.

This measure will enable the counties to impose civil fines up to \$1000 or may be equal to the actual cost of having the damaged property repaired or replaced. Further, the bill provides that, in instances involving minors, a parent or guardian having custody over the minor will be held jointly and severally liable with the minor for any civil fines imposed. Your Committee believes that civil fines will serve as a deterrent to such activity and will enable the counties to recoup losses sooner than through criminal prosecutions.

Your Committee has amended the bill by deleting the proposed language adding a new section to chapter 577, HRS, because that language is contained in H.B. 819, H.D. 1, S.D. 1, C.D. 1.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 158, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 158, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Swain, White, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Grauly, McCartney, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 62 on S.B. No. 159

The purpose of the bill is to extend the sunset provision of the expedited sentencing law.

Act 316, Session Laws of Hawaii 1993 created an expedited sentencing procedure in intra-family sexual assault cases. The intent of the legislation was to provide an additional option within the criminal justice system for the handling of these cases in a manner which would concentrate on the needs of the child victim.

Your Committee on Conference finds that the expedited sentencing program has been a viable alternative in a small number of select cases and that it should continue to be available within the criminal justice system. However, your Committee on Conference believes that there is insufficient basis from which to determine whether the program should be made permanent. Your Committee on Conference has amended the bill to extend the sunset date to June 30, 2001.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 159, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 159, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Swain, White and Kawanakoa,
Managers on the part of the House.

Senators Grauly, McCartney and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 63 on S.B. No. 288

The purpose of this bill is to prohibit the intentional harassment of or interference with hunters engaged in lawful activity.

Your Committee finds that licensed hunters and fishermen should be entitled to protection from intentional harassment when engaged in the lawful taking of fish and game. Your Committee finds that this bill is crafted to avoid penalizing unintentional conduct.

Your Committee has amended this bill by making it an offense to enter or remain on public or private land or waters without the permission of the owner or the owner's agent with the intent to violate the harassment prohibition. Your Committee has also established a parallel prohibition in chapter 188, Hawaii Revised Statutes, to protect fishermen, as the previous draft only referenced licenses obtained under section 183D-21, Hawaii Revised Statutes, which covers birds and mammals, but not fish.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 288, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 288, S.D. 1, H.D. 2, C.D. 1.

Representatives Takamine, Santiago, Shon, Tom and Anderson,
Managers on the part of the House.

Senators Grauly, Chumbley, Matsuura and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 64 on S.B. 869

The purpose of this bill is to extend the non-medicaid personal care program from June 30, 1995 to June 30, 1997.

Your Committee finds that extension of this program will enable many individuals who are not eligible for medical assistance but require personal care services, including the disabled, chronically ill, and frail elderly, to receive needed medical support services. Your Committee further finds that extension of this program will result in increased cost savings by diverting a number of individuals in this gap group from placement in intermediate care and other facilities at greater public expense.

Upon further consideration, your Committee has amended this bill by changing the effective date from upon its approval to June 29, 1995, and by deleting that portion of the bill that would have reenacted Act 209, Session Laws of Hawaii 1988 as of June 30, 1995, thereby restoring the bill to the H.D. 1 version. Your Committee finds that the bill, as so amended, eliminates the ambiguities otherwise caused by those provisions that have been modified.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 869, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 869, H.D. 2, C.D. 1.

Representatives Chun Oakland, Say, Kawakami, Saiki and Marumoto,
Managers on the part of the House.

Senators Grauly, McCartney, Matsuura and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 65 on S.B. No. 889

The purpose of this bill is to expand the powers and duties of the Stadium Authority to include the planning, promotion, and marketing of the stadium and its related facilities.

Upon further consideration, your Committee has amended this measure by deleting the salary increases of the stadium manager and deputy stadium manager.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 889, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 889, S.D. 2, H.D. 3, C.D. 1.

Representatives Takamine, Cachola, Say, Garcia and Marumoto,
Managers on the part of the House.

Senators Ikeda, Tanaka, Iwase, Solomon and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 66 on S.B. No. 1254

The purpose of this bill is to authorize several changes to the notary law.

More specifically, this bill authorizes a notary to sign for a person unable to do so because of a disability, provided certain safeguards are taken on that person's behalf such as a medical certification of disability. Other changes include: requiring notaries to enter specific types of information into the notary book for each official act; increasing the fees charged by a notary from \$4 to \$5; and requiring the acknowledging person to produce a current identification card or document issued by the United States, the State of Hawaii, or another state, or a national government that contains the bearer's photograph and signature.

Your Committee finds that the changes to the law made by this bill will make the notary process more efficient and improve accountability for notaries.

Upon further consideration, your Committee has amended this bill by deleting the requirement that the notary must be satisfied that the person understood the contents of the document because this places too high a burden on the notary to determine whether the person truly understood the document. Your Committee has also amended this bill by deleting the requirement that the doctor's written certificate (certifying the person's inability to sign or make a mark because of disability) is notarized. Your Committee finds that a simple certificate stating the need should suffice given a physician's generally accepted credibility and usual busy schedule.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1254, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1254, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Chun Oakland, White, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Grauly, McCartney and Matsunaga, -
Managers on the part of the Senate.

Conf. Com. Rep. 67 on S.B. No. 1560

The purpose of the bill is to require the Liquor Commission to notify by mail owners and lessees situated within five-hundred feet of the premises of a public hearing regarding the transfer of certain types of liquor licenses.

Your Committee on Conference finds that the bill will provide neighborhoods with better, more reliable notice of hearings involving a possible change in the character of a neighborhood when a liquor license is being transferred.

Your Committee on Conference has amended the bill to provide that class 5 and 11 licensees shall comply with the notice requirements set forth in section 281-57, HRS, when applying for a transfer of a liquor license. Class 5 licensees include standard bars, strip bars, entertainment bars, and hostess bars. A class 11 licensee includes cabaret establishments.

Your Committee on Conference believes that it is reasonable to require these types of establishments to give notice to owners and lessees of a neighborhood when applying for a transfer of a liquor license while not requiring certain retail establishments such as the "mom and pop" type stores to do so.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1560, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1560, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Menor, Tom, Ito and Meyer,
Managers on the part of the House.

Senators Grauly, Fernandes Salling and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 68 on S.B. No. 1568

The purpose of the bill is to amend the bulk sales law so that it applies not just to sales but to transfers as well.

Your Committee on Conference recognizes that under current law, sellers are allowed to complete a transaction or transfer assets and receive a bulk sales certificate, even though delinquent taxes are owed to the State. The bill provides that the department shall not issue a bulk sales certificate if a tax return of the seller is being examined by the department.

Your Committee on Conference has amended the bill by providing that a wilful failure to make the report required of the seller is a misdemeanor subject to a fine of not more than \$5,000 for both an individual and a corporation rather than \$25,000 for an individual and \$100,000 for a corporation. Your Committee on Conference has also deleted the provision for an unlimited statute of limitations because existing law already provides for this.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1568, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1568, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Say, Case, Kawakami and Kawanakoa,
Managers on the part of the House.

Senators Grauly, Holt and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 69 on S.B. No. 1642

The purpose of this bill is to establish criminal penalties for a person operating a recreational vessel in state waters while under the influence of intoxicating liquor.

Your Committee on Conference recognizes that Hawaii is one of only eight states which does not have legislation addressing the operation of recreational vessels in state waters while under the influence of intoxicating liquor. This bill is intended to correct this deficiency.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provision that under .05 or less grams of alcohol per one hundred milliliters or cubic centimeters of blood or .05 or less grams of alcohol per two hundred ten liters of defendant's breath created a presumption that the defendant was not under the influence; and the provision that a blood alcohol level falling between the level of presumptive non-intoxication and the level of presumed intoxication was competent evidence as to whether or not the defendant was under the influence;
- (2) By deleting reference to a "phlebotomist" as a person qualified to draw blood;
- (3) By deleting the definition of "motorboat" as it is redundant; and
- (4) By deleting the provision relating to mandatory testing in the event of a collision which authorized police to request blood tests when there is probable cause to believe the defendant committed manslaughter or negligent homicide with a motor vehicle.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1642, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1642, S.D. 1, H.D. 1, C.D. 1.

Representatives Santiago, Tom, Garcia, Swain and Anderson,
Managers on the part of the House.

Senators Grauly, Fernandes Salling, Chumbley and Matsuura,
Managers on the part of the Senate.

Conf. Com. Rep. 70 on S.B. No. 596

The purpose of this bill is to provide the funds for a home construction and improvement loan program for the residents of Maunaloa, to authorize the Department of Land and Natural Resources to negotiate for the transfer of lands to the Office of Hawaiian Affairs (OHA), and to exempt the Maunaloa subdivision from all state and county subdivision and housing development standards.

The residents of Maunaloa live in substandard housing, and have not been able to upgrade or rebuild their homes since they are unable to qualify for loans due to substandard infrastructure and because they do not own the land.

Your Committee on Conference empathizes with the plight of the residents of Maunaloa. However, due to the austere fiscal constraints faced by the State of Hawaii, there are no state funds that can be appropriated at this time for home construction and loan programs for the residents of Maunaloa.

In light of this, your Committee on Conference has amended this bill by deleting all appropriation related items.

It is your Committee's intent and hope that the bill as amended will assist the residents by allowing the negotiation of land transfer to the Office of Hawaiian Affairs as your Committee feels that the needs of the residents will be best met by OHA, and by exempting the residents from all state and county subdivision and housing development standards to aid the residents in possibly attaining loans from financial institutions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 596, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 596, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Say, Ito, Saiki and Kawanakoa,
Managers on the part of the House.

Senators Ikeda, Bunda, Chumbley, Holt and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 71 on S.B. No. 385

The purpose of this bill is to provide that welfare fraud constitutes the criminal offense of theft.

Your Committee is aware that welfare fraud has become a serious problem in recent years, with food stamps being traded or sold for money, drugs, and alcohol. This activity perpetuates the abusive practices by individuals within the welfare system who frequently operate with little or no fear of prosecution.

Currently, all offenses identified in section 346-34, Hawaii Revised Statutes, are classified as misdemeanors without regard to food stamp abuse. The Department of the Attorney General has stated that it presently prosecutes certain welfare fraud cases pursuant to the theft statutes, which are based on the monetary amount of the public assistance benefits fraudulently obtained.

Your Committee believes that section 346-34, Hawaii Revised Statutes, should be clarified to provide for specific criminal penalties based upon the monetary amount of the food stamps involved, rather than relying on the theft statutes.

Your Committee notes that food stamp trafficking necessarily involves a buyer and a seller and that both should be prosecuted equally. However, current law applies only to sellers.

Your Committee has amended this bill to add a new subsection to section 346-14, Hawaii Revised Statutes, to provide that the illegal buying of food stamps or coupons constitutes welfare fraud. Your Committee has also provided that food stamp fraud shall be a class C felony if the value exceeds \$300 and a class B felony if the value exceeds \$20,000. All other welfare fraud offenses remain misdemeanors.

Your Committee has deleted section 2 of the bill on concurrence of the Attorney General because it is no longer necessary in view of the above amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 385, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 385, H.D. 2, C.D. 1.

Representatives Chun Oakland, Tom, Case, Kahikina and Kawananaoia,
Managers on the part of the House.

Senators-Grauly, Matsuura, Matsunaga and Tam,
Managers on the part of the Senate.

Conf. Com. Rep. 72 on S.B. No. 887

The purpose of this bill is to propose an amendment to Article VII, section 11 of the Constitution of the State of Hawaii to repeal the exception that permanently prevents the lapsing of unencumbered general obligation bond funds which are deemed necessary by the Legislature to qualify for federal aid financing and reimbursement.

Your Committee has amended this bill by correcting a technical error in drafting. The introductory sentence to section 1 of this bill has been amended by replacing the incorrect citation to "Article V, section 10" of the Constitution with the correct citation to "Article VII, section 11".

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 887, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 887, H.D. 1, C.D. 1.

Representatives Tom, Say, Nakasone, White and Marumoto,
Managers on the part of the House.

Senators Ikeda, Baker and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 73 on S.B. No. 1521

The purpose of this bill is to safeguard the use of physician-specific aggregate data by excluding this data from discovery or admission into evidence during a judicial or administrative proceeding.

Your Committee on Conference believes that there are increasing demands for public accountability of the medical profession, particularly for consumers, corporate purchasers of health care, and publicly supported health programs. Consumer advocates, health care providers, health insurance companies, and governmental entities also want information related to quality and costs of care provided by both hospitals and physicians in order to make informed purchasing decisions. In order to encourage the proper use of data collected for valid purposes, the safeguards contained in this bill are needed to protect the confidentiality of individuals and prevent the misuse of data.

Your Committee on Conference has made a number of minor amendments to clarify the intent of this measure. In particular, your Committee on Conference has amended this bill by deleting the requirement that health care data be disclosed to the Department of Health, because this has nothing to do with discovery proceedings. Your Committee on Conference made other technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1521, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1521, S.D. 2, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Saiki, White and Thielen,
Managers on the part of the House.

Senators Grauly, Matsunaga, Matsuura and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 74 on S.B. No. 287

The purpose of this bill is to provide for the transition of agricultural water systems of plantations that are ceasing sugar operations, by requiring the Board of Agriculture to plan for this transition and authorizing it to acquire and manage these systems.

Your Committee has agreed that this bill should revert to its original form. Upon discussion with the Department of Agriculture, your Committee has omitted the appropriation sections because there is no need to issue revenue bonds for fiscal year 1995-1996, or to expend any amounts.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 287, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 287, H.D. 1, C.D. 1.

Representatives Takamine, Say, Nekoba, M. Oshiro and Marumoto,
Managers on the part of the House.

Senators Ikeda, Iwase, Holt, Ige and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 75 on S.B. No. 1905

The purpose of this bill is to create a temporary state facilities innovation task force to plan a pilot child care/park and ride project at Aloha Stadium.

All members sitting on the task force, except for two, are from the public sector. Given the current fiscal situation, your Committee has deleted the appropriation sections of this bill. Your Committee finds that this study is needed, and should not be delayed due to a lack of funds. Your Committee also recommends that the task force draw on the expertise of its members to complete the study.

Your Committee has also amended the bill to specify that the community representative task force member is to be selected by the chairperson of the task force.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1905, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1905, S.D. 2, H.D. 2, C.D. 1.

Representatives Chun Oakland, Hiraki, Say, Kahikina and Ward,
Managers on the part of the House.

Senators Ikeda, Iwase, Holt, Ige and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 76 on S.B. No. 6

The purpose of this bill is to streamline the procedures for the collection and payment of child support.

In particular, this bill requires that the child support enforcement agency adopt rules by July 1, 1996, that utilize alternative child support collection and disbursement methods, and use those methods that result in the most expedient receipt of child support by the custodial parent. The bill also requires the court to approve a written agreement between the obligor and custodial parents to allow direct payments from the obligor parent to the custodial parent, and establishes conditions for such an agreement. In addition, the bill requires that the agency disburse amounts to the obligee parent within three, rather than five, working days after receipt of amounts withheld by an employer pursuant to an income withholding order, provided that the agency may extend the disbursement date in the event of a natural disaster or other extraordinary incident rendering disbursement impossible.

Your Committee finds that many custodial parents in Hawaii often receive late disbursements of child support payments from the agency, resulting in great hardship to these parents and their children. While your Committee recognizes the need to streamline the procedures for the collection and payment of child support, however, your Committee believes that the agency should continue to collect and disburse child support payments when required by court order, rather than allow the obligor and custodial parents to contract separately between themselves. Your Committee finds that reducing the number of working days for the processing child support payments, as well as requiring the agency to adopt rules to use alternative collection and disbursement methods such as electronic fund transfers and direct deposit of funds to a custodial parent's account, will significantly reduce the processing time for disbursement of child support payments to custodial parents.

In addition, your Committee finds that the agency is incorporating electronic fund transfer capabilities into its new child support enforcement automated system, which is scheduled for statewide implementation by the federally mandated deadline of October 1, 1995. Because the agency's computer system will be operational in October, 1995, your Committee has moved up the deadline for the adoption of rules requiring the agency to use alternative child support collection and disbursement methods from July 1, 1996 to January 1, 1996.

Accordingly, your Committee has amended this bill by:

- (1) Adding to the requirement that the court approve a written agreement between the obligor and custodial parent to allow direct payments from the obligor parent to the custodial parent the requirement that this written agreement be made no later than the court hearing that initially establishes the amount of child support payments required;
- (2) Requiring the child support enforcement agency to adopt rules by January 1, 1996, rather than July 1, 1996;
- (3) Decreasing the processing deadline requiring employers receiving an income withholding order to transmit amounts withheld to the agency from five to three working days;
- (4) Requiring the agency to disburse amounts to the obligee parent within two, rather than three, working days after receipt of amounts withheld by an employer pursuant to an income withholding order, and allowing for an extension of the disbursement date when it is rendered "impracticable", rather than "impossible"; and

- (5) Making technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 6, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 6, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, White and Kawananaoka,
Managers on the part of the House.

Senators Grauly, McCartney and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 77 on S.B. No. 431

The purpose of this bill is to increase penalties for repeated acts of harassment by stalking.

Specifically, the bill amends section 711-1106.5, Hawaii Revised Statutes, to make a first offense of harassment by stalking a petty misdemeanor, a second offense a misdemeanor, and a third offense a class C felony. The bill also requires counseling for an offender placed on probation and notice to the victim if a defendant is released pretrial and provides immunity from liability for failure to make reasonable attempts to notify the victim.

Your Committee finds that a stalker's behavior frequently is characterized by a series of progressively more serious acts aimed at the same victim. Accordingly, your Committee believes it is necessary to provide for enhanced penalties in such instances to deter such behavior and to protect the public safety.

Accordingly, your Committee has amended this bill to create a new section providing for a class C felony offense of aggravated harassment by stalking. A person commits the offense of aggravated harassment by stalking if a person, who has previously been convicted of the offense of harassment by stalking, commits another offense of harassment by stalking that involves the same victim and the actions constituting that offense are in violation of either:

- (1) An existing court order, other than one issued ex parte, restraining the same person from contacting, threatening, or physically abusing the same victim; or
- (2) A condition of probation or pretrial release involving the same victim.

Your Committee also has deleted the amendments to section 711-1106.5, HRS, concerning elevation of offenses, counseling and notice requirements, and immunity from liability, and has renumbered the remaining sections consecutively.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 431, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 431, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, McMurdo, White, Yamane and Kawananaoka,
Managers on the part of the House.

Senators Grauly, McCartney, Matsunaga and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 78 on S.B. No. 1286

The purpose of this bill is to clarify the present law regarding restrictions on post employment of legislators and state employees.

Specifically, the bill separates the prohibitions for legislators and state employees into separate subsections of the statute, clarifies what action is being prohibited, and adds a definition of the term "represent".

Under present law, a former legislator or state employee is prohibited from assisting or representing any individual or business for a fee or other consideration on matters in which the former legislator or employee participated or in matters involving official action by the Legislature or the person's former agency for twelve months after leaving a state position.

Your Committee on Conference finds that although such prohibitions are necessary to instill public confidence in elected officials and state employees, clarification of the law is needed to avoid ambiguity and misunderstanding of the applicability and scope of the law.

Your Committee on Conference has amended the bill by:

- (1) Adding a new subsection (e) exempting the application of the section to persons who are employed by the State for six months or less;
- (2) Designating the added definitional language as subsection (f); and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1286, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1286, H.D. 1, C.D. 1.

Representatives Tom, Cachola, Herkes, White and Kawanakoa,
Managers on the part of the House.

Senators Grauly, McCartney, Matsunaga and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 79 on S.B. No. 84

The purpose of this bill is to provide a civil remedy for damages to persons injured as a result of illegal drug use by allowing a plaintiff to recover from persons who knowingly distribute or participate in the chain of distribution of an illegal drug.

Persons given causes of action against drug dealers under this bill would include the parents of a minor whose drug use has injured that child in some way, drug babies, insurers who pay for drug treatment for addicted persons, and others. The point is to make those who cause injury to others through trading in illegal drugs to pay for that injury. Your Committee finds it both just and appropriate to bring the civil litigation system to bear against illegal drug dealers for the benefit of victims of crime.

Your Committee has amended this bill by inserting a severability clause as section 4 and renumbering the remaining section. A few technical, nonsubstantive corrections, have also been made.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 84, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 84, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Menor, White, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Grauly, McCartney and Matsunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 80 on S.B. No. 443

The purpose of this bill is to require the registration of certain sex offenders with local law enforcement agencies upon their release into the community.

In particular, this bill requires any person convicted of a felony sexual assault in this State or another jurisdiction, within seven calendar days after arrival in a county in which the person resides or expects to be present for more than one month, to register with the county chief of police. The sex offender must also notify the police chief in writing within seven calendar days of any change of address.

In addition, this bill also specifies the contents of the registration, requires certain persons to explain to the sex offender the duty to register and the consequences for failure to register, allows a registered sex offender to apply to the circuit court for an order relieving the person of further registration five years after conviction for a felony sexual assault or five years following release from incarceration, and makes intentional or knowing failure to register a misdemeanor.

Upon further consideration, your Committee has amended this bill by:

- (1) Reducing the time period, from seven calendar days to three working days, during which a sex offender must register with the county chief of police after arrival in a county upon release; and
- (2) Reducing the time period, from seven calendar days to three working days, during which the sex offender must notify the police chief of any change of address.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 443, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 443, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Kawakami, Herkes, Nekoba and Marumoto,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 81 on S.B. No. 171

The purpose of this bill, as received by your Committee, is to allow for the disclosure of employee misconduct of police officers if such misconduct results in the officer's discharge.

Upon further consideration, your Committee has amended this measure by:

- (1) Amending the title of the subsection to read, "Significant privacy interest; examples";
- (2) Rewording the exemption to read, "except in a case which results in the discharge of the officer";
- (3) Requiring the police chief of each county to submit an annual report to the Legislature prior to each regular session which summarizes incidents of police officer misconduct, indicates the disciplinary action imposed,

and the number of officers suspended or discharged for malicious use of force, mistreatment of prisoners, drug abuse, and cowardice; and

- (4) Inserting a saving clause.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 171, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 171, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Herkes, Swain, White and Thielen,
Managers on the part of the House.

Senators Grauly, Kanno, Matsuura and McCartney,
Managers on the part of the Senate.

Conf. Com. Rep. 82 on S.B. No. 858

The purpose of this bill is to enable employees of the University of Hawaii (UH) and the Department of Education (DOE) to invest retirement funds in mutual funds held in custodial accounts, thereby qualifying for favorable benefits under federal tax law.

After careful consideration and discussion, your Committee believes that the UH and DOE need time to make the necessary rule changes. To allow the necessary time, your Committee has amended this bill by changing the effective date of this bill to January 1, 1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 858, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 858, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Say, Suzuki, Takumi and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 83 on S.B. No. 1022

The purpose of this bill is to:

- (1) Authorize the issuance of \$45,000,000 in special purpose revenue bonds for the Kapiolani Health Care System and its nonprofit subsidiaries; and
- (2) Repeal the June 30, 1995, sunset provision for issuing special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

Your Committee has amended this measure by:

- (1) Deleting all provisions authorizing and otherwise relating to the issuance of \$45,000,000 in special purpose revenue bonds for the Kapiolani Health Care System and its nonprofit subsidiaries. Your Committee finds that this matter is provided for in another bill currently being considered by the Legislature; and
- (2) Deleting the repeal of the sunset provision, and providing instead for an extension of the sunset provision until June 30, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1022, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1022, S.D. 1, H.D. 1, C.D. 1.

Representatives Pepper, Kawakami and Ward,
Managers on the part of the House.

Senators Ikeda, Levin, Baker, Kanno and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 84 on S.B. No. 1028

The purpose of this bill is to ensure that direct cash welfare payments are used for day-to-day living expenses rather than for the purchase of alcohol and other drugs by using the Department of Health's representative payee system for welfare recipients who are disabled because of substance abuse.

The bill also establishes a cap not to exceed one percent of the moneys appropriated under HMS 204 to fund this program through the Department of Health.

Upon further consideration, your Committee has amended the bill by requiring the Department of Health to submit annual reports to the Legislature regarding program expenditures and general demographic data of persons served by the program. Your Committee has also made two technical, clarifying amendments and has changed the starting date of this program from July 1, 1995, to December 1, 1995.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1028, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1028, S.D. 2, H.D. 2, C.D. 1.

Representatives Chun Oakland, Pepper, Kawakami, Saiki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Levin, Matsuura and Baker,
Managers on the part of the Senate.

Conf. Com. Rep. 85 on S.B. No. 1410

The purpose of this bill is to authorize the issuance of up to \$6,000,000 in special purpose revenue bonds to relocate a medical waste incineration and disposal facility developed by Pacific Controls, Inc., from Waipahu to Campbell Industrial Park.

Your Committee has amended this bill by providing that the expressed purpose of the issuance of the special purpose revenue bonds is to assist Pacific Controls, Inc., in the establishment of a medical waste incineration and disposal facility in the Campbell Industrial Park, including relocation costs with respect to the Waipahu site. House draft 2 provided that the purpose of the issuance of the bonds is to assist Pacific Controls, Inc., in paying only the direct costs incurred in connection with the relocation of the facility.

It is your Committee's strong intent that nothing more hazardous than medical waste will be incinerated or disposed of in the facility established by Pacific Controls, Inc. in the Campbell Industrial Park.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1410, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1410, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Say, Jones, Santiago and Marumoto,
Managers on the part of the House.

Senators Ikeda, Levin, Tam, Kanno and Kawamoto,
Managers on the part of the Senate.

Conf. Com. Rep. 86 on S.B. No. 1461

The purpose of this bill is to provide for services in the community for those persons with developmental disabilities who are now institutionalized at Waimano Training School and Hospital (WTSH). The bill eliminates WTSH and mandates that all programs and services for developmentally disabled persons be provided in the community by June 30, 1998.

Your Committee, upon further consideration, has made the following amendments to S.B. No. 1461, S.D. 2, H.D. 2:

- (1) Clarified that when the private sector does not or is not able to provide the services specified in section 333F-2, Hawaii Revised Statutes, the Department of Health shall provide them. Restrictive language mandating that the department make a request to private service providers in all instances has been deleted;
- (2) Added language providing that clients at WTSH shall be placed into community-based programs, provided appropriate support services are available;
- (3) Added language providing that the panel convened pursuant to section 333F-2(a), Hawaii Revised Statutes, shall also ensure that the transition of WTSH residents to the community will be client-centered, taking into consideration the health, safety, and happiness of the residents and the concerns of their families. The composition of the panel was also broadened to include employees and employee representatives;
- (4) Clarified that supports and services under section 333F-2(c), Hawaii Revised Statutes, shall include the provision of care at the skilled nursing level or in a skilled nursing facility, as individually appropriate;
- (5) Clarified that supports and services under section 333F-2(c), Hawaii Revised Statutes, shall also include the provision of case management services independent of the direct service provider. Your Committee recognizes that the provision of case management services as so required, will require amendment of the Health Care Financing Administration's Home and Community Based Waiver, modification of the Memorandum of Agreement between the Department of Health and the Department of Human Services, and modification of contracts between the Department of Human Services and community providers. The departments are therefore encouraged to begin work on these amendments promptly in order to meet the June 30, 1996, effective date applicable to the provision of these services;
- (6) Required the Department of Health to submit annual reports to the Legislature describing the status of the plan developed pursuant to chapter 333F-2, Hawaii Revised Statutes, as amended, no later than twenty days before the convening of the regular sessions of 1996, 1997, and 1998, and a final report in 1999. House draft 2 had provided only for a single report in 1996. It is your Committee's intent that the 1996 report include the status of the lifting of the moratorium on the Title XIX waiver program; and
- (7) Provided that the provision making case management services independent of direct services shall be effective June 30, 1996.

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

Use of the word "community" on page 4, with respect to crisis and emergency services which the department may need to provide, is intended to be broad enough to cover short-term crisis or emergency services in a facility. The department may address the impact of this provision in its 1996 and 1997 reports to the Legislature, and request any changes if necessary.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1461, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1461, S.D. 2, H.D. 2, C.D. 1.

Representatives Pepper, Say, Isbell, Kawakami and Ward,
Managers on the part of the House.

Senators Ikeda, Levin, Baker, Kanno and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 87 on S.B. No. 396

The purpose of this bill is to set minimum staffing levels in public schools for kindergarten through grade six classes. This bill also requires the Department of Education to allocate funds or resources from its existing budget to meet this requirement, and to transfer no fewer than 110 resource teachers to teacher positions in the classroom.

Upon further consideration, your Committee has amended this measure by:

- (1) Specifying that the Department of Education shall meet the minimum staffing requirement using existing resource teachers within the state and district offices;
- (2) Requiring the Department of Education to transfer to regular instruction (EDN 100) no fewer than 107 resource teacher positions and funding; provided that no person shall suffer loss of compensation or benefits as a result of the transfer;
- (3) Allowing the Department of Education to consider the transfer under this Act as part of the restructuring mandate of Act 272, Session Laws of Hawaii 1994;
- (4) Requiring the Department of Education to report on the transfers including the teaching positions filled, previous capacity of those filling the teaching positions, program identification number and code under which the position originally served;
- (5) Prohibiting the Department of Education from creating any new temporary or permanent educational officer positions during the 1995-1997 fiscal biennium;
- (6) Requiring the Department of Education to eliminate no less than twenty percent of educational officer positions except principal, vice principal, athletic director, or business manager positions during the fiscal biennium 1995-1997, requiring a report to the Legislature identifying the positions eliminated, allowing the department to count early retirement vacancies as part of this requirement; and
- (7) Requiring that all moneys realized as a result of the elimination of positions to be reallocated to the schools on the basis of enrollment to be used at the discretion of the schools for the purposes of augmenting instructional programs.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 396, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 396, S.D. 2, H.D. 2, C.D. 1.

Representatives Stegmaier, Say, Kawakami, Morihara and Anderson,
Managers on the part of the House.

Senators Ikeda, Chumbley and Kawamoto,
Managers on the part of the Senate.

Conf. Com. Rep. 88 on S.B. No. 942

The purpose of this bill is to establish a continuous training program for school security attendants conducted jointly by the Department of Education, the Department of Public Safety, and the county police departments.

Your Committee finds that the public school students' learning attention span can be aided by the feeling of being secure on campus and in classrooms. By providing trained school security attendants, parents, students, and teachers can be assured uniformity and consistency in application of the law. The standardization of training will also benefit the Department of Education if personnel must be shifted from one school to another to meet changing needs.

Your Committee has amended this bill by replacing the word "police" with the phrase "law enforcement" on page 3.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 942, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 942, S.D. 1, H.D. 3, C.D. 1.

Representatives Stegmaier, Tom, Say, Takai and Anderson,
Managers on the part of the House.

Senators Ikeda, Gaulty, Chumbley, Tam and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 89 on S.B. No. 336

The purpose of this bill is to generate additional revenues for the driver education and training program by: (1) increasing the fines payable for various motor vehicle violations; (2) establishing a new fine for persons convicted of driving under the influence of alcohol; and (3) increasing the proportion of underwriters fees allocated to the training fund.

Following its deliberations on this measure, your Committee reached a consensus to make the following amendments:

- (1) The drivers education and training fund fine for various motor vehicle violations has been set at \$7 rather than \$8;
- (2) The drivers education and training fund fine for persons convicted of driving while intoxicated has been set at \$100, rather than \$50;
- (3) The annual underwriters fee payable to the drivers education fund account by insurers and self-insurers has been lowered from \$2 to \$1.50; and
- (4) The proposal to increase the amount of underwriters fees allocated to the drivers education and training fund has been deleted.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 336, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 336, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, Menor, Say, Cachola and Thielen,
Managers on the part of the House.

Senators Ikeda, Gaulty, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 90 on S.B. No. 1683

The purpose of this bill is to clarify the requirements for receiving general assistance for those physically and mentally impaired and to provide for lump-sum budgeting for general assistance.

Your Committee is aware that the United States Congress is moving toward initiating block grants to the states as its share in funding financial assistance and other programs. This is likely to result in a reduction in amounts of money that the states have to spend on general assistance because of the necessity to order priorities amongst many programs. Your Committee believes that it is prudent to plan ahead for the coming of block grants by providing for lump-sum budgeting. Your Committee is aware of the practical inequities inherent in lump-sum budgeting since it would mean that the Department of Human Services would have to serve the same number of individuals, more or less, with less money. However, the realities of the situation call for prudent planning notwithstanding the possibility of resulting inequities.

This bill allows the Department of Human Services to determine the allowance for general assistance based upon the total amount appropriated for general assistance, among other relevant factors. In conformity with that, this bill also allows the Department of Human Services to adopt rules to establish qualifying guidelines and priorities for general assistance and a method of determining general assistance.

Your Committee believes that the Department of Human Services should be authorized to adopt rules to determine the allowance for general assistance based upon the total amount appropriated for general assistance and to establish guidelines and priorities for assistance. Your Committee further believes that the General Assistance Program should serve the most needy.

Accordingly, your Committee has amended the bill as follows:

1. Eliminated eligibility for those persons who are at least fifty-five years of age;
2. Added eligibility, for six months, for persons between the ages of eighteen and sixty-five years of age whose primary diagnosis is substance abuse;
3. Limited eligibility to one year for disabled persons between eighteen and sixty-five years of age, which may be extended pending determination of eligibility for the Federal Supplemental Security Income Program; and
4. To require physically and mentally impaired recipients to accept and pursue medical treatment.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1683, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1683, S.D. 1, H.D. 1, C.D. 1.

Representatives Chun Oakland, Say, Saiki, Suzuki and Ward,

Managers on the part of the House.

Senators Ikeda, Matsuura, Aki, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 91 on S.B. No. 1751

The purpose of this bill is to provide the Division of Consumer Advocacy flexibility in staffing by:

- (1) Increasing the number of utility analysts that are exempt from civil service from two to four; and
- (2) Increasing the statutorily-established annual salary ceiling of \$55,000 for those employees to \$65,000.

Your Committee finds that the Consumer Advocate is charged with the responsibility of advocating the public's interest before the Public Utilities Commission on a number of very complex and diverse issues. Due to the limit on the number of staff analysts the Consumer Advocate may hire, staff analysts are required to handle issues outside their normal field of expertise.

Your Committee believes that providing the Consumer Advocate with the authority to hire staff analysts on the basis of specific skill and knowledge requirements would result in better representation for the general public before the Public Utilities Commission. Furthermore, removing the salary ceiling for these staff analysts would provide the Consumer Advocate with the ability to attract more qualified applicants.

Upon further consideration, your Committee has amended the bill by removing the annual salary cap for these analyst positions.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1751, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1751, H.D. 1, C.D. 1.

Representatives Menor, Say, Garcia, Kawakami and Thielen,
Managers on the part of the House.

Senators Ikeda, Kanno and Fukunaga,
Managers on the part of the Senate.

Conf. Com. Rep. 92 on S.B. No. 432

The purpose of this bill is to help support substance abuse treatment and prevention programs by authorizing the sentencing court to impose a monetary assessment on criminal defendants who are convicted of certain drug offenses or who have received deferred acceptance of guilty or no contest pleas for those offenses.

The monetary assessments are in addition to, and not in lieu of, other penalties imposed and are to be made after payment of any restitution ordered. The bill also establishes a special fund into which the monetary assessments are to be deposited and which is to be administered by the Department of Health to supplement drug treatment and other drug demand reduction programs. The department is required to submit to the Legislature an expenditure report of the fund during each of its initial three years.

Your Committee finds that this bill serves the dual purpose of rightfully imposing additional penalties for offenses committed as well as channeling those monetary penalties more directly to fund drug abuse treatment and prevention. Such funding is necessary to help prevent future offenses and to mitigate the effects of past offenses.

Your Committee has amended this bill by:

- (1) Deleting section 1 relating to the Department of Health and renumbering the remaining sections consecutively;
- (2) Extending the scope of offenses subject to monetary assessments to include persons sentenced for misdemeanor drug offenses;
- (3) Deleting the Department of Health's reporting requirement; and
- (4) Inserting a June 30, 1996, sunset provision to allow for a one-year assessment of the bill's impact.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 432, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 432, S.D. 2, H.D. 3, C.D. 1.

Representatives Pepper, Tom, Say, Hamakawa and Anderson,
Managers on the part of the House.

Senators Ikeda, Graulty, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 93 on S.B. No. 68

The purpose of this bill is to authorize the Department of Human Services to plan for and to implement an electronic benefit transfer (EBT) system for the food stamp program and the aid to families with dependent children (AFDC) program.

This bill appropriates \$60,000 to the Department of Human Services to conduct a study of the feasibility of implementing an EBT system in Hawaii, to be matched by the federal government.

Your Committee finds that thirty-five other states have already implemented an EBT system. Their success may soon lead to a federal mandate to require the states to institute such a system. Under an EBT system, EBT cards are issued to program recipients with their allotted amounts encoded into the cards. The only way to redeem food stamps would be directly through a store, eliminating unqualified third parties from trafficking in food stamps at a discount. Allotted amounts for other programs such as AFDC would work in a similar way whereby amounts can be redeemed only by the use of a personal identification number associated with the EBT card.

Your Committee finds that an EBT system is a possible method of reducing fraud and improving the efficiency of Hawaii's public assistance programs. A feasibility study would help to identify the costs and potential cost savings resulting from such a system.

Your Committee has amended this bill to insert the sum of \$60,000 as the appropriated amount.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 68, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 68, S.D. 2, H.D. 1, C.D. 1.

Representatives Chun Oakland, Say, Kawakami, Saiki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Matsuura, Aki and Taniguchi,
Managers on the part of the Senate.

Conf. Com. Rep. 94 on S.B. No. 1939

The purpose of this bill is to provide funding for public access to legislative proceedings to be used for:

- (1) Staff, equipment, and operation of the Public Access Room;
- (2) Installation of electronic hardware and equipment to broadcast legislative proceedings in the Capitol conference rooms;
- (3) Production and distribution of radio broadcasts of legislative proceedings; and
- (4) Support of neighbor island public access television stations.

Your Committee has amended this bill by:

- (1) Appropriating the sum of \$60,000, or so much thereof as may be necessary for fiscal year 1995-1996, to provide funding for staff, equipment, and operation of the Public Access Room. This amount will enable the Public Access Room to operate year-round. House draft 1 appropriated \$1 for this purpose;
- (2) Appropriating \$20,000 each to the House of Representatives and the Senate, or so much thereof as may be necessary for fiscal year 1995-1996, for the installation and operation of the sound systems for House and Senate conference rooms in the State Capitol. House draft 1 appropriated \$1 each to the House and the Senate for this purpose. Your Committee notes that it has reduced the original funding level of these conference room sound systems by twenty per cent in anticipation of each house of the Legislature being able to utilize existing equipment (primarily speakers) currently in use at the State Office Tower;
- (3) Amending the title of Part II of the bill to read "Broadcasts of Legislative Proceedings";
- (4) Deleting language in section 4 of the bill referring to radio broadcasts of legislative proceedings and language providing that the purpose of part II of the bill is to appropriate funds to increase public access to legislative proceedings, including real-time captioning. Your Committee has substituted language providing that the purpose of part II is to appropriate funds to provide for broadcasts of legislative proceedings, authorize expenditure of previously appropriated funds for legislative broadcasts in 1995 and 1996, and appropriate funds for plans and design to install broadcast infrastructure and equipment to provide television broadcasts of legislative proceedings. It is your Committee's intent that the word "equipment" in the substituted language include real-time captioning equipment;
- (5) Deleting separate appropriations of \$1 each to the House of Representatives and the Senate for the production and distribution of television broadcasts of legislative proceedings during 1995-1996, and substituting a single appropriation of \$25,000 to the Legislature for this purpose. Your Committee reduced the appropriation amount of the legislative cable television broadcast project from its previous funding level due to savings accrued in the current fiscal year and because a grant from 'Olelo: The Corporation for Public Broadcasting is expected for the upcoming fiscal year;
- (6) Adding a new section amending Section 3 of Act 259, Session Laws of Hawaii 1994, to appropriate funds to the House of Representatives and the Senate for fiscal year 1995-1996 to provide cable television broadcasts

of legislative proceedings. This amendment is made to carry-over unused funds appropriated for this purpose for fiscal year 1994-1995;

- (7) Appropriating \$20,000, or so much thereof as may be necessary for fiscal year 1995-1996, to be expended by the Legislature for plans and design to install electronic hardware and equipment such as cameras, cables, control panels, and other equipment, to provide greater public access to the Legislature through television broadcasts of legislative proceedings. House draft 1 appropriated \$1 to be expended by the Department of Accounting and General Services to install electronic hardware and equipment such as cameras, cables, control panels, and real-time captioning equipment;
- (8) Deleting appropriations for the production and distribution of radio broadcasts of legislative proceedings during 1995-1996;
- (9) Deleting extraneous language in section 8 of the bill referring to neighbor island access to governmental programming, and deleting from the last paragraph of section 8 the phrase "on a timely basis"; and
- 10) Appropriating a total of \$62,000 as follows: \$18,500 for Ho'ike Kauai; \$16,800 for Akaku; Maui Community Television; and \$26,700 for Na Leo 'O Hawai'i, for fiscal year 1995-1996 grants-in-aid to purchase taping and other equipment needed for rebroadcasting state legislative programming. Your Committee finds that the principle of fair access to the legislative process must be applied to the Legislature's cable television broadcast project and therefore has provided funding via grants-in-aid to the nonprofit neighbor island PEG (public, education, government) access organizations for purchase of taping equipment to allow rebroadcasts of legislative proceedings during reasonable viewing hours. House draft 1 appropriated \$1 for each such organization for purchasing equipment necessary for rebroadcasting state legislative programming throughout the State.

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

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1939, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1939, S.D. 2, H.D. 1, C.D. 1.

Representatives Kanohe, Say and Marumoto,
Managers on the part of the House.

Senators Ikeda, Fukunaga, Baker, Bunda, Ihara, Kanno and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 95 on S.B. No. 478

The purpose of this bill is to ensure that all public buildings, facilities, and other public improvements conform with the Americans with Disabilities Act Accessibility Guidelines.

Your Committee on Conference has amended this bill by:

- (1) Deleting the waiver of the requirement that agencies submit all plans to the commission on disabled persons for approval prior to the start of construction, and waiver of the requirement that all agencies provide written assurance that the improvements have been built in accordance with plans approved by the commission prior to final acceptance of the improvement and to final payment;
- (2) Providing that the thirty day requirement may be waived;
- (3) Providing that the architectural access committee may receive input related to the Americans with Disabilities Act, may issue interpretive opinions for design specifications not covered by the guidelines, and may adopt necessary rules pursuant to chapter 91, Hawaii Revised Statutes; and
- (4) Making other technical, nonsubstantive changes.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 478, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 478, S.D. 2, H.D. 2, C.D. 1.

Representatives Tom, Kawakami, Chang, Swain and Thielen,
Managers on the part of the House.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 96 on S.B. No. 853

The purpose of this bill is to require the Director of Transportation to provide for underground utility facilities in the design, redesign, construction, or reconstruction phases of new or existing federal-aid highways projects upon a determination that federal aid is available to do so. In particular the bill adds a new section to chapter 264, Hawaii Revised Statutes, requiring the Director to provide underground utility facilities when there are federal funds available. Underground facilities are not required, if after public hearing, the Director determines there are appropriate reasons for not providing such facilities. The bill requires that the director annually report the director's findings and decision for each hearing to the Legislature.

Your Committee on Conference has amended the bill to provide and clarify that consideration of "economic feasibility" alone will not be sufficient to waive the requirement for underground utility facilities, instead such a determination will require consideration of state funding impacts, economic feasibility, and federal funding impacts and whether those factors militate against requiring underground utility facilities.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 853, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 853, S.D. 1, H.D. 1, C.D. 1.

Representatives Hiraki, Say, Case, Ito and Ward,
Managers on the part of the House.

Senators Ikeda, Fernandes Salling, Baker, Fukunaga, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 97 on S.B. No. 1674

The purpose of this bill is to provide the community hospital system with increased flexibility in fiscal matters, purchasing procedures, and personnel management.

Specifically, this bill:

- (1) Establishes a hospital operations fund for each of the thirteen public health facilities to expedite payment of vendor's goods and services of less than \$10,000 and requires the Department of Health (DOH) to report annually to the Governor and the Legislature describing the activities in the hospital operations funds;
- (2) Authorizes the Director of Health to transfer special fund appropriations to the various hospital operations funds;
- (3) Exempts the special funds of the division of community hospitals (DCH) in the DOH from transfers to the general fund by the Director of Finance to defray central service expenses of government relating to all special funds;
- (4) Exempts the special funds of the DCH from its pro rata share of administrative expenses incurred for the operations supported by the special funds;
- (5) Allows the DCH flexibility to transfer special fund appropriations among DCH-administered programs, among cost elements in a program, and between quarters, as applicable, while prohibiting use of current appropriations to expand or initiate new programs requiring additional future state resources, and requires the DCH to report such transfers quarterly and annually;
- (6) Reduces the time of delinquency from two consecutive years to one year from the date the account arose, of accounts of health care charges due to the community hospitals to be found uncollectible by the Attorney General and be deleted from accounts receivable records; provided the Director of Health may declare accounts of less than \$100 uncollectible without review by the Attorney General;
- (7) Removes the administrator of the procurement office as the chief procurement officer for the DCH;
- (8) Clarifies the powers of the DOH to participate in prepaid health care service and insurance programs that may involve discounts from the DOH's authorized charges and specifically empowers the DOH to declare accounts uncollectible as provided by law;
- (9) Allows the DCH to increase rates, rents, fees, and charges by up to five per cent per fiscal year;
- (10) Authorizes the DCH to trade off and transfer, or establish positions within existing position ceilings and requires the DCH to report on such activities to the Legislature before the convening of the 1996 regular session; and
- (11) Exempts the community hospitals from competitive bidding and preference laws.

Your Committee on Conference has amended this bill by:

- (1) Adding a stipulation that a detailed listing of encumbrances and expenditures, using generally acceptable accounting principles, be included in the annual report of activities in the thirteen hospital operations funds;
- (2) Subjecting expenditures from the hospital operations funds to the provisions of the procurement code governing small purchases (less than \$10,000 for goods or services or \$25,000 for construction);
- (3) Exempting the DCH's special funds from transfer to the general fund of amounts determined to be in excess of fiscal year requirements;
- (4) Clarifying that the DCH's flexibility to transfer special fund appropriations among DCH facilities must maintain the integrity of services at each facility and that transfers will not reduce services at a facility -- rather than unconditional flexibility to transfer funds among DCH-administered programs, among cost elements in a program, and between quarters;

- (5) Deleting:
- (A) The provision allowing DCH accounts to be declared uncollectible after being delinquent at least one year after the account arose;
 - (B) The power of the Director of Health to declare accounts under \$100 uncollectible without Attorney General review; and
 - (C) The specific power of the DOH to declare accounts uncollectible;
- (6) Allowing public health facilities that do not receive general fund augmentation to retain one hundred per cent, rather than only up to twenty-five per cent, of unrequired special fund revenues in their respective hospital special funds for payment of operating expenses;
- (7) Exempting the DOH's facility administration fund from transfers to the general fund of amounts in excess of ten per cent of the expenditures of all public health facilities at the end of the fiscal year;
- (8) Requiring the DCH to maintain budgetary organization codes used in fiscal year 1994-1995 for each public health facility as an internal reporting and accounting mechanism;
- (9) Clarifying that the community hospitals are subject to section 103D-305, Hawaii Revised Statutes, in section 12 of the bill which amends section 6 of Act 211, Session Laws of Hawaii 1993, as amended by section 3 of Act 193, Session Laws of Hawaii 1994;
- (10) Allowing the Director of Health to fill one hundred per cent of positions vacated, prohibiting holding vacant any of those positions, and prohibiting the elimination of any of those vacated positions mandated by Act 212, Session Laws of Hawaii 1994;
- (11) Providing that sections 3 and 4 of the bill apply retroactively to July 1, 1993, and requiring any funds transferred (for central service expenses and administrative expenses) to be returned within ninety days of the effective date of the bill; and
- (12) Making technical, nonsubstantive amendments, including a spelling correction, and necessary renumbering of sections of the bill, for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1674, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1674, S.D. 2, H.D. 2, C.D. 1.

Representatives Pepper, Say, Chun Oakland, Isbell and Anderson,
Managers on the part of the House.

Senators Ikeda, Levin, Baker and Kanno,
Managers on the part of the Senate.

Conf. Com. Rep. 98 on S.B. No. 937

The purpose of this bill is to establish the University tuition and fees special fund for the University of Hawaii into which shall be deposited revenues from regular credit tuition and tuition-related course and fee charges.

Specifically, the bill:

- (1) Allows the University to use moneys deposited into this fund for income-producing activities and tuition waivers; and
- (2) Establishes a formula for legislative appropriations.

Your Committee acknowledges that over the past decade the Legislature has provided the University of Hawaii with increasing administrative and budget flexibility. This measure is no exception to the state policy of increasing the University's fiscal autonomy. Your Committee also acknowledges that a proper balance needs to be struck between this policy and the equally important one of ensuring equal educational opportunity to financially needy students.

Your Committee has amended the bill to accommodate various component issues and concerns in order to perfect the mechanisms by which the university generates its own income and to strike a workable balance between the two policies, for immediate implementation.

Your Committee has amended the bill by:

- (1) Requiring the board of regents to adopt benchmarks to guide the course of the university's future effective with the 1997-1998 fiscal year;
- (2) Requiring the University to conduct a periodic review of all instruction, organized research, public service, academic support, student services, and institutional support programs to determine whether programs are operating for the purpose originally established and are not inconsistent with the benchmarks;

- (3) Establishing the University of Hawaii tuition and fees special fund into which shall be deposited all revenues collected by the university for regular credit tuition and tuition-related course and fee charges;
- (4) Prohibiting the use of the fund as justification for reducing any budget request or allotment to the University unless requested by the University; the transfer of moneys in the fund unless authorized by the Legislature; and the imposition of restrictions by the Governor or Director of Finance without prior legislative approval;
- (5) Modifying the Board of Regents' powers to set tuition levels by requiring the board to set tuition levels at not more than thirty per cent of the estimated average annual cost of education and increasing the fee for the apprenticeship program at the community colleges;
- (6) Giving authority to the Board of Regents to grant, modify, or suspend tuition waivers;
- (7) Amending chapter 36, Hawaii Revised Statutes, to exempt the University of Hawaii tuition and fees special fund from central service expenses and departmental administrative expenses;
- (8) Repealing section 37-74(e), Hawaii Revised Statutes, regarding the duty of the University of Hawaii to confer with the Legislature and the Governor to use current appropriations in any manner that would result in the expansion of programs or the initiation of new programs;
- (9) Authorizing the Board of Regents to impose nonresident fee differentials;
- (10) Suspending authorization for the deposit of the first \$1,000,000 of tuition collected into the Hawaii opportunity program in education until the 1997-1998 fiscal year;
- (11) Repealing statutorily mandated tuition waivers. Since the University is being given the authority to control income generated from tuition, it is more appropriate for the University rather than the Legislature to determine how and to whom waivers should be granted;
- (12) Providing for the transfer of \$5,000,000 from the Hawaii opportunity program in education special fund to the University of Hawaii student tuition and fee special fund; and
- (13) Authorizing the Board of Regents to assess a nonresident fee each semester of \$65 per student at the University of Hawaii, Manoa Campus, and \$25 for all other University of Hawaii campuses.

The intent of these amendments is to establish a tuition and fee special fund into which would be deposited those tuition and fee revenues currently deposited in the general fund, including future increases to these revenues resulting from increased charges and from any new tuition, course, and new student-related fees or charges established by the University or the Legislature.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 937, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 937, S.D. 2, H.D. 2, C.D. 1.

Representatives Lee, Say, Nekoba, Takai and Marumoto,
Managers on the part of the House.

Senators Ikeda, Ige, Iwase, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 99 on S.B. No. 1467

The purpose of this bill is to establish the systemwide information technology services special fund.

Specifically, the bill:

- (1) Repeals the systemwide computer services special fund for the University of Hawaii systemwide consortium and replaces it by establishing the systemwide information technology services special fund; and
- (2) Allows the Board of Regents of the University of Hawaii to charge an information technology user fee to be deposited into the systemwide information technology services special fund for the purposes of that fund.

Your Committee finds that the special fund created in this bill will provide funds to modernize the University's audio, video, communications, information, and computer systems as well as for planning, design, and implementation of technology infrastructure within the University.

Your Committee has amended the bill to include language to clarify that the moneys of the special fund shall be used for information technology as well as for information services of the University of Hawaii.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1467, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1467, S.D. 2, H.D. 1, C.D. 1.

Representatives Lee, Say, Jones, Santiago and Anderson,
Managers on the part of the House.

Senators Ikeda, Ige, Iwase, Taniguchi and Liu,

Managers on the part of the Senate.

Conf. Com. Rep. 100 on S.B. No. 1293

The purpose of this bill is to transfer the responsibility for setting public school teacher certification standards from the Department of Education to a Hawaii Teacher Standards Board to be administratively attached to the Department of Education.

Upon further consideration, your Committee has amended this bill by:

- (1) Inserting a definition of "superintendent";
- (2) Changing the size of the board from eleven to nine members and changing its composition to include four teachers, three educational officers, the chairperson of the Board of Education or the chair's designee, and the Dean of the College of Education at the University of Hawaii or the dean's designee;
- (3) Requiring that the board represent elementary and secondary school personnel and the neighbor islands, to the extent possible;
- (4) Deleting the payment of per diem for board members;
- (5) Creating separate sections to clarify the board's responsibilities for setting standards and its other powers, and including in the board's powers the ability to establish penalties in accordance with chapter 91;
- (6) Deleting the power of the Department of Education to approve teacher education programs and coordinate teacher preparation programs with institutions of higher education;
- (7) Changing the implementation date for issuance of licenses and credentials from the 1996-1997 school year to the 1997-1998 school year;
- (8) Changing the Teacher Standards Board Special Fund to a revolving fund;
- (9) Authorizing the Superintendent of Education to be the final adjudicator on appeals of board actions;
- (10) Clarifying in existing statute that only public school teachers shall be subject to these standards;
- (11) Deleting the appropriation section, and directing the department to transfer \$20,000 from the appropriation made to EDN 200 in each fiscal year, into the Hawaii Teacher Standards Board revolving fund;
- (12) Inserting a grandfather provision for any person holding a teacher certificate issued by the Department of Education prior to the beginning of the 1997-1998 school year; and
- (13) Changing the sunset date from June 30, 1998, to June 30, 2000.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1298, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1298, S.D. 2, H.D. 3, C.D. 1.

Representatives Stegmaier, Menor, Tom, Say and Anderson,
Managers on the part of the House.

Senators Ikeda, Chumbley and Kawamoto,
Managers on the part of the Senate.

Conf. Com. Rep. 101 on H.B. No. 1626

The purpose of this bill, as received by your Committee, is to continue the systemic reform initiatives of past Legislatures by: clarifying certain provisions related to student-centered schools; providing statutory flexibility to facilitate completion of school construction projects; requesting the Department of Education to establish a statewide assessment and accountability system; and establishing various study groups to review education governance, statutory reorganization, and alternatives for the acquisition of school facilities.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the repeal of the twenty-five schools cap on the establishment of student-centered schools;
- (2) Deleting the exemption from the state procurement laws for student-centered schools;
- (3) Deleting the provision allowing a simple majority of parents attending a public meeting at which a vote is taken to approve a student-centered school plan;
- (4) Authorizing the Department of Education to expend \$175,000 from allotment for teacher improvement services from the general fund appropriation made to instructional services (EDN 200) in fiscal year 1995-1996, to provide teacher training through the New Standards Project, in order to develop a student assessment system as part of a comprehensive educational assessment and accountability system;

- (5) Deleting the general fund appropriation for the comprehensive educational assessment and accountability system;
- (6) Deleting the statutory flexibility provisions to allow the Department of Education to initiate school construction projects from the supplemental "B" list if a project from the priority "A" list is delayed;
- (7) Deleting the establishment of an interim study group to review the concept of providing authority to the Department of Education to enter into lease agreements for the acquisition of school facilities;
- (8) Limiting the scope of the commission on the Board of Education to reviewing the number of members on the board and the method of election of the board, deleting the requirements that the commission represent the constituency of the school/community-based management councils, convening the commission on August 1, 1995, and earmarking \$10,000 for the commission from the Board of Education allocation made from the appropriation for state and district administration (EDN 300);
- (9) Deleting the establishment of an education statutory revision interim study group;
- (10) Establishing a school district advisory council commission to review the roles and responsibilities of the councils and make recommendations for restructuring or termination of the councils, convening the commission on July 1, 1995, and earmarking \$10,000 for the commission from the school advisory council allocation made from appropriation made to state and district administration (EDN 300); and
- (11) Changing the effective date to upon approval except for sections 5, 8, and 9.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1626, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1626, H.D. 1, S.D. 2, C.D. 1.

Representatives Stegmaier, Say, Kawakami, Santiago and Halford,
Managers on the part of the House.

Senators Ikeda, Chumbley, Kawamoto and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 102 on H.B. No. 1903

The purpose of this bill, as received by your Committee, is to authorize the issuance of general obligation bonds for the construction of public school facilities, and to amend various provisions relating to the expenditure of funds by the Department of Education to ensure compliance with legislative appropriations.

Upon further consideration, your Committee has amended this measure by:

- (1) Authorizing the Department of Education to deploy one instructional resource augmentation position for each two hundred fifty students enrolled in each school, provided that the department deploys all positions;
- (2) Retaining the 6.5 percent cap on the Department of Education's administrative expenses;
- (3) Requiring that any carryover of funds appropriated to the Department of Education shall be used exclusively for the school-based budgeting program EDN 100, and of those appropriations allocated to the schools, the funds shall remain within the budget of the schools to which they were originally allocated; and
- (4) Clarifying that the sum appropriated in section 2 of this Act shall be expended by the department of accounting and general services.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1903, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1903, S.D. 1, C.D. 1.

Representatives Stegmaier, Say, Kawakami, Tarnas and Halford,
Managers on the part of the House.

Senators Ikeda, Chumbley, Kawamoto and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 103 on H.B. No. 1409

The purpose of this bill is to clarify the legislative intent that the income and capital gains of the State of Hawaii Endowment Fund (Fund) are to be used solely for the purpose of paying the salaries of musicians belonging to an Oahu-based symphony orchestra as determined by the State Foundation on Culture and the Arts (SFCA).

This bill also specifies that the income and capital gains from the Fund are to be transferred on a quarterly basis to the SFCA, Performing and Visual Arts Events Private Contribution Account (Account).

Your Committee has reviewed the record of the legislative hearings by both the respective House and Senate committees and found overwhelming support for the bill from music lovers to the ILWU to the Hawaii Symphony Orchestra.

The Chairperson of the Honolulu Symphony Society opposes passage of this bill at this time because the Society is now in negotiations with the Hawaii Symphony Orchestra. However, the Society had no argument with the concept in the bill, that is, to pay musicians' salaries and benefits. The Society also agreed that the legislative intent to establish the endowment was to support a live symphonic orchestra for residents in Hawaii.

Bank of Hawaii opposed the bill because it has an assignment on the endowment income to pay off the outstanding balance of \$298,000 from a bank loan. If income from the state portion of the endowment was included in the assignment, the loan may be paid off in one year. Without it, the loan will be repaid in three years.

Your Committee notes that Bank of Hawaii stated that from its perspective, the main problem of the Society was not its labor dispute. Instead, it was lack of cash due to unprofitable operations. Bank of Hawaii also submitted financial statements which showed that the Society, with no orchestra and no ticket sales since May 1993, incurred administrative expenses of \$1.4 million in 1994, and \$450,000 in the first eight months of 1995. The Society still has five employees with an annual payroll of \$250,000.

Your Committee further notes that the Attorney General has reviewed the bill and finds that the bill is legally sound. The Attorney General recommends that only the income and capital gains from the \$2,000,000 provided by the State be transferred to the SFCA, to be used for the production of music, that is, payment of the salaries and benefits of the musicians, by an Oahu-based symphony orchestra.

After careful deliberation, your Committee has amended this bill by:

- (1) Specifying that the income and capital gains to be transferred on a quarterly basis to the SFCA Account is based on the \$2,000,000 contributed by the State;
- (2) Providing that the income and capital gains to be transferred to the SFCA Account, are to be used for the production of music by an Oahu-based symphony orchestra as determined by the SFCA, instead of being used solely for paying the salaries of musicians belonging to an Oahu-based symphony orchestra; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1409, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1409, H.D. 2, S.D. 1, C.D. 1.

Representatives Lee, Kawakami and Anderson,
Managers on the part of the House.

Senators Ikeda, Ige, Iwase, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 104 on H.B. No. 2094

The purpose of this bill is to amend the campaign spending law to bring about major reform. The bill also amends the existing law and adds new provisions in the areas of the commissioners' duties and independence from participation in political campaigns; disclosure requirements for government contractors and non-candidate committees; registration requirements for contributions or expenditures in excess of \$1000; electronic filing of disclosures; setting contribution limits from individuals and political parties; thresholds for public financing; open hearings for contested determinations of probable cause; and encouragement of public financing.

Your Committee finds that rapidly increasing costs of political campaigns have forced many candidates to raise larger amounts of money from interest groups with specific financial interests in government matters. This has caused the perception that votes are being improperly influenced by contributions. Disclosure of contributions and expenditures is needed to maintain the integrity of the electoral process. It is apparent that public confidence in political campaigning has diminished markedly over the years. The mandate is clear that comprehensive reform is long overdue as a first step to re-instill public confidence in the elective process.

Significant amendments made by your Committee include the following:

- (1) Loans for more than \$100 must be documented and reported;
- (2) Individual contributions to a candidate are limited to \$2,000 for a two-year nonstatewide office, \$4,000 for a four-year nonstatewide office, and \$6,000 for a statewide four-year office;
- (3) Contributions to a non-candidate committee are banned until six months after the non-candidate committee registers with the Campaign Spending Commission (Commission);
- (4) Intentional, knowing, or reckless violations may be referred by the Commission to the Attorney General or prosecuting attorney in lieu of an administrative determination;
- (5) Five per cent of the annual receipts of the Hawaii Election Campaign Fund shall be appropriated annually to the Commission for administrative costs;
- (6) In order to qualify for public funding, a candidate shall have received \$50,000 for Governor, \$40,000 for Lieutenant Governor, \$30,000 for mayor or prosecuting attorney (Honolulu), \$10,000 for mayor or

prosecuting attorney (outer islands), \$5,000 for county council, \$2,500 for senator, and \$1,500 for representative;

- (7) Knowing, intentional, or reckless violations shall be punishable as a misdemeanor, and a person so convicted shall be disqualified from holding elective public office for four years from the date of conviction;
- (8) An appropriation of \$70,000.00, or so much thereof as may be necessary for fiscal year 1995-1996, for an additional investigator for the campaign spending commission to be expended by the office of the lieutenant Governor; and
- (9) Technical and nonsubstantive changes were made for the purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2094, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2094, H.D. 2, S.D. 1, C.D. 1.

Representatives Tom, Say, Kanoho, White and Marumoto,
Managers on the part of the House.

Senators Grauly, Ikeda, Baker and McCartney,
Managers on the part of the Senate.

Conf. Com. Rep. 105 on H.B. No. 1586

The purpose of this bill is to subject collective bargaining impasses between a public employer and bargaining units (2), (3), (4), (6), (8), (9), and (10) to the compulsory arbitration process similar to the process currently applicable only to the bargaining units representing firefighters and police officers.

Your Committee finds that under existing law, if a bargaining dispute between a public employer and these units exists for over ninety days after written notification by either party to initiate negotiations, then the bill allows either party to give written notice to the Hawaii Labor Relations Board (Board) that an impasse exists. Upon notification of an impasse, the Board assists in the resolution of the impasse by appointing a mediator within three days of the notification. If the impasse still exists after fifteen days of notification of the Board, the dispute is then subjected to an arbitration process in which a single arbitrator is empowered to enter into a stipulated award and decision.

Moreover, under existing law, only disputes involving bargaining units (11) and (12), the bargaining units representing firefighters and police officers, are subject to a compulsory arbitration procedure where the parties may agree to either a single arbitrator or a panel of arbitrators or, absent agreement, the Board submits the dispute to a tripartite panel, and the arbitrator or panel is restricted to consideration of specific factors which must be explained in a written opinion.

Upon further consideration, your Committee has amended the bill to provide that:

- (1) The arbitration process be the same as that provided for Bargaining Units (11) and (12); and
- (2) The bill only applies to bargaining unit (10) since S.B. 1218, S.D. 1, H.D. 1, which passed final reading on April 19, 1995, already provides for the inclusion of units (2), (3), (4), (6), (8), and (9) in the compulsory arbitration process. Your Committee has also included a new section to clearly state that the provisions in this bill and in S.B. 1218, S.D. 1, H.D. 1, are not to be construed to be in conflict.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1586, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1586, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 106 on H.B. No. 1425

The purposes of this bill are to:

- (1) Establish the position of State Recycling Coordinator in the Department of Health;
- (2) Define the terms "waste disposal company" and "wet food waste"; and
- (3) Require waste disposal companies to use commercial bioconversion facilities to dispose of wet food wastes, provided the fees are the same or less than public disposal waste facility fees.

Your Committee finds that bioconversion of wet food waste is an attractive alternative to conventional waste disposal techniques, such as landfilling and incineration, because of its environmental friendliness. The organic byproducts recovered through the bioconversion process are recyclable. In comparison, the landfilling of wet food waste creates, through anaerobic decomposition, methane gas and leachate into the State's groundwaters; landfilling and incineration often times are not viable options economically for waste hauling and disposal companies because of the nature of wet

food waste. Liquids cause other waste streams to weigh more, increase handling costs and tipping fees for waste hauling and disposal companies.

However, although your Committee finds that bioconversion of wet food waste is an emerging technology that offers an alternative to current disposal methods for wet food waste, there has not been adequate public discourse to mandate the use of bioconversion. Additionally, alternatives such as bioconversion should be market-driven; presently, there is only one such company operating in the State.

Your Committee has therefore amended this bill by:

- (1) Deleting the section defining the terms "wet food waste" and "waste disposal company";
- (2) Deleting the requirement for waste disposal companies to use commercial bioconversion facilities to dispose of wet food wastes provided the fees are the same or less than public disposal facility fees; and
- (3) Designating that the position of Recycling Coordinator shall be an assistant to the Coordinator of the Office of Solid Waste Management.

It is the intent of your Committee that public discourse and research into alternative disposal methods, which have the potential of providing more environmentally friendly techniques, such as bioconversion, be continued.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1425, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1425, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Say and Meyer,
Managers on the part of the House.

Senators Ikeda, Tam, Chumbley and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 107 on H.B. No. 1909

The purpose of this bill is to improve State government operations by:

- (1) Creating a temporary Interagency Federal Revenue Maximization Revolving Fund to be used to pursue, collect, and distribute additional federal fund reimbursements;
- (2) Establishing a Financial Institution Examiners' Revolving Fund for the payment of various personnel and administrative expenses incurred during the course of a financial institution examination; and
- (3) Requiring that the expenditure of all revolving fund proceeds as well as funds established to provide interdepartmental services must be made by appropriation or allotment, unless specifically exempted.

Your Committee has amended this bill by:

- (1) Exempting the following special funds from paying for central services expenses as well as departmental administrative expenses:
 - (a) Funds of the Employees' Retirement System;
 - (b) The Unemployment Compensation Fund; and
 - (c) The Hawaii Hurricane Relief Fund;
- (2) Exempting the Convention Center Capital and Operations Special Fund from paying for departmental administrative expenses;
- (3) Requiring the Director of Finance to submit annual reports on all central services assessments as well as all departmental administrative expenses assessments;
- (4) Requiring the Comptroller to submit annual reports on various aspects involved in administering the Interagency Federal Revenue Maximization Revolving Fund;
- (5) Modifying the fees to be paid by financial institutions to the Financial Institution Examiners' Revolving Fund;
- (6) Amending Section 12 of Act 200, Session Laws of Hawaii 1994, to extend through fiscal year 1995-1996, the authorization to expend moneys relating to the Hawaiian Sovereignty Elections Council;
- (7) Appropriating specific amounts relating to the federal fund reimbursements;
- (8) Establishing July 1, 1996, as the effective date for requiring that expenditures from revolving funds as well as funds established to provide interdepartmental services must be made by appropriation or allotment; and
- (9) Making technical, nonsubstantive revisions for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1909, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1909, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kanohe and Ward,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka,
Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 108 on H.B. No. 1996

The purpose of this bill is to enable the Occupational Safety and Health Training and Assistance Fund (Fund) to provide the necessary education to help reduce accident rates by:

- (1) Designating it as a special fund;
- (2) Changing its annual revenues from \$200,000 to a maximum of \$500,000; and
- (3) Extending its sunset date from July 1, 1996, to July 1, 1999.

The bill also sunsets on July 1, 1999, the provision requiring the annual reports on unsafe employment for women.

Your Committee has amended the bill by:

- (1) Allowing funds from any source to be deposited into the Fund;
- (2) Appropriating to the Fund \$500,000 for each year of the fiscal biennium 1995-1997, to be expended by the Department of Labor and Industrial Relations.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1996, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1996, H.D. 1, S.D. 2, C.D. 1.

Representatives Yonamine, Say, Kanohe, Suzuki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 109 on H.B. No. 386

The purpose of this bill is to establish state policies and guidelines to promote environmental awareness throughout the State.

The Legislature has determined that the protection of the State's natural environment is vital to the public health and welfare of its citizens. Fundamental to that protection is the environmental education of those citizens.

Your Committee has determined that this education can be greatly promoted by enhancing public notice and awareness of the rules and interpretations of the State's environmental laws.

In order to accomplish this, your Committee has integrated the concept of written guidelines on compliance and enforcement from the House draft, and promotion of environmental education initiatives from the Senate draft of the bill.

A goal has been set to compile the written policies and guidelines that pertain to the State's environmental pursuits, and to provide a central location for them. July 1, 1998 has been set as the date by which this material should initially be gathered; documents are to be updated annually. It is the understanding of your Committee that the department will also prepare a detailed timeline for the implementation of this Act.

As amended, this bill expands §344-3 to support promotion of environmental initiatives, and amends §344-4 to include facilitation and support of the development and establishment of initiatives between government and the private sector.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 386, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 386, H.D. 1, S.D. 2, C.D. 1.

Representatives Shon, Say, Jones, Tarnas and Marumoto,
Managers on the part of the House.

Senators Ikeda, Tam, Aki, Chumbley and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 110 on H.B. No. 1785

Your Committee amended the bill by inserting the appropriation amount.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1785, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1785, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, M. Oshiro and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 111 on H.B. No. 2089

The purpose of this bill is to:

- (1) Require that any rate credit, reimbursement, earning, or interest from the Hawaii Public Employees' Health Fund (Health Fund) from any carrier or self-insured plan be returned on a pro rata basis to reimburse the State or county general fund if the moneys are returned from a plan covering retirees, other surviving spouses of deceased retirees, or employees killed in the performance of their duty until July 1, 1996;
- (2) Require the Auditor to conduct a study of the Health Fund; and
- (3) Appropriate an unspecified amount for the Auditor's study.

Upon further consideration, your Committee has amended this bill to:

- (1) Delete the requirement that the rate credit, reimbursement, earning, or interest be returned on a pro rata basis;
- (2) Have retroactive application to any rate credit, refund, or reimbursement made to the Health Fund prior to the effective date;
- (3) Delete the Auditor's study and the appropriation for the study; and
- (4) Change the effective date to take effect upon approval.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2089, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2089, H.D. 1, S.D. 1, C.D. 1.

Representatives Yonamine, Say, Isbell, Takumi and Marumoto,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 112 on H.B. No. 2133

The purpose of this bill is to amend Hawaii's workers' compensation and insurance laws to improve efficiency and cost-effectiveness in the workers' compensation system.

Among other things, this bill:

- (1) Amends the definition of "physician" in Section 386-1, Hawaii Revised Statutes (HRS), to include only doctors of medicine and dentists;
- (2) Sets forth new requirements for establishing medical fee schedules so that charges do not exceed 120 percent of fees prescribed in the Medicare Resource Based Relative Value Scale;
- (3) Limits health care providers and nonphysicians from treating an injured employee for more than 19 visits;
- (4) Limits employer requested independent medical examinations to no more than one per case unless good and valid reasons exist with regard to the medical progress of the claimant's treatment;
- (5) Provides for medical interim reports at appropriate intervals instead of 21 days or less;
- (6) Provides that no employer be placed in an assigned risk pool without an experience rating plan;
- (7) Provides for all insurers authorized to write workers' compensation insurance to participate in a residual market plan;
- (8) Sets forth incentives for removing insured risks from the residual market; and
- (9) Provides that the Auditor conduct a comprehensive management and financial audit of the assigned risk program and agreements approved by the Insurance Commissioner for workers' compensation insurance.

Upon careful deliberation, your Committee has amended this bill by:

- (1) Deleting amendments to the definition of "physician" in Section 386-1, HRS;
- (2) Providing that as of the effective date of this measure, the medical fee schedule not exceed 110 percent of fees prescribed in the Medicare Resource Based Relative Value Scale;
- (3) Providing that the frequency and extent of treatment not exceed the nature of the injury and the process a recovery requires; provided that no authorization shall be required for the initial five treatments. After the initial five treatments, the Director of Labor and Industrial Relations may authorize no more than ten additional treatments. For injuries requiring more than fifteen treatments, the Director may authorize additional treatments;
- (4) Providing that the Insurance Commissioner, instead of the Auditor, submit a study to the Legislature on the assigned risk program;
- (5) Allowing workers' compensation benefits and coverage of workers' compensation insurance benefits to be subject to collective bargaining, provided that the benefits and coverage are not less than those provided by Chapter 386, HRS. This would not apply to collective bargaining contracts negotiated pursuant to Chapter 89, HRS;
- (6) Establishing a safety and health certification program to assure that individuals are qualified to evaluate safety in the workplace;
- (7) Allowing the issuance of limited licenses for adjusters to work solely on workers' compensation claims;
- (8) Requiring the disclosure of workers' compensation premium information by insurers to employers;
- (9) Excluding injuries resulting from unprovoked non-work related physical altercations other than self-defense from compensability;
- (10) Increasing the maximum award for disfigurement from \$15,000 to \$30,000;
- (11) For cases on or after July 1, 1995, providing that in successive injury cases where the claimant's entire permanent partial disability is due to more than one compensable injury, the amount of the award for the subsequent injury be offset by the amount awarded for the prior compensable injury;
- (12) Providing greater equity by not allowing part-time workers to receive the same compensation available to full-time workers;
- (13) Streamlining the process of settling and finalizing compromise claims;
- (14) Providing that employer requested examinations ordered by the Director of Labor and Industrial Relations not exceed more than one per case unless good and valid reasons exist with regard to the medical progress of the claimant's treatment;
- (15) Increasing the penalties for default in payment from ten to twenty percent of the amount of unpaid compensation;
- (16) Providing that interim medical reports be filed by physicians, surgeons, and hospitals at appropriate intervals instead of every twenty-one days;
- (17) Making fraudulent insurance acts, with regard to workers' compensation, subject to criminal penalties. In the alternative, administrative penalties may be applicable, and these administrative sanctions have been further strengthened in this measure;
- (18) Allowing employers with exemplary claims to secure insurance deductibles of \$5,000, \$10,000, or greater amounts, upon mutual agreement with the insurance carrier;
- (19) Establishing a mandatory premium discount of at least five percent for employers who have been certified as having effective safety and health programs;
- (20) Requiring public hearings on rate filings and increasing, from thirty to ninety days, the waiting period before rate filings take effect;
- (21) Creating the Workers' Compensation Insurance Administrative Special Fund (Special Fund) for the administration of workers' compensation insurance, to be repealed July 1, 2001. For each fiscal year beginning 1995-1996 until fiscal year 2000-2001, up to \$150,000 may be deposited into the Special Fund;
- (22) Allowing the Insurance Commissioner to award residual market service contracts through a bid process exempt from state procurement requirements;
- (23) Enabling the Insurance Commissioner to hire two auditors to assist in the assigned risk program study;

- (24) Providing that the Director of Labor and Industrial Relations conduct a feasibility study of coordinated health care delivery systems;
- (25) Requiring the Department of Labor and Industrial Relations to adopt rules for optional coordinated health care delivery systems in workers' compensation insurance no later than July 1, 1996. Also requires the Director of Labor and Industrial Relations to submit the rules to the Legislature no later than December 1, 1995. The rules shall not be adopted if the Legislature disapproves the rules by concurrent resolution during the regular session of 1996; and
- (26) Making technical, nonsubstantive amendments for the purposes of style, clarity, and consistency.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 2133, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2133, H.D. 2, S.D. 1, C.D. 1.

Representatives Yonamine, Menor, Tom, Say, White, Yamane and Ward,
Managers on the part of the House.

Senators Ikeda, Holt, Kanno and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 113 on H.B. No. 1472

The purpose of this bill is to:

- (1) Reduce the low-income household renters income tax credit;
- (2) Reduce the food tax credit; and
- (3) Repeal the medical excise tax credit.

Your Committee has amended the bill by:

- (1) Reinstating the low-income household renter tax credit;
- (2) Repealing the excise tax credit; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1472, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1472, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Chang and Kawakami,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka,
Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 114 on H.B. No. 1828

The purpose of this bill is to resolve alleged breaches of the Hawaiian Home Lands Trust by (1) settling disputed issues with finality and certainty, (2) providing a Hawaiian Home Lands Trust fund for the payment of funds to the Department of Hawaiian Home Lands over a period of up to twenty years, and (3) providing for the culmination and closure of various activities and goals initiated by past Legislatures.

This bill is the fruition of the labor of many people over many years in attempting to rectify alleged injustices to the beneficiaries of the Hawaiian Home Lands Trust established by the Hawaiian Homes Commission Act of 1920. In attempting to deal with the whole issue of Hawaiian home lands, your Committee has been cognizant of the extraordinary complexity and difficulty of this vast and important subject. Truly, because of what it resolves, the passage of this bill is a momentous event in the history of Hawaii.

Consequently, your Committee has frequently and diligently sought the expert advice of many people knowledgeable in the issues and subjects relating to Hawaiian Home Lands, including the state Attorney General, the Department of Hawaiian Home Lands (hereafter the "department"), members of the Hawaiian Home Lands Trust Individual Claims Review Panel, the State Bond Counsel, the Native Hawaiian Legal Corporation, attorneys at law, title and escrow companies, members of the Governor's Task Force on Department of Hawaiian Home Lands Land Title and Related Claims, the Independent Representative of the Native Hawaiian Beneficiaries of the Hawaiian Homes Commission Act, and many others.

The purpose of this extensive inquiry has been to ensure a complete understanding of all related issues as well as to assure the public good of all our citizens whose dollars will help to fund this resolution, and whose goodwill and firm resolve have helped to bring it about.

Indeed, throughout this process, your Committee has been impressed with the nearly unanimous feeling among our citizenry, both native Hawaiian and non-Hawaiian alike, that the time for this global resolution on behalf of the Hawaiian beneficiaries is ripe and, indeed, overdue. It is an action whose time has come.

The findings in the bill, which your Committee has substantially strengthened, emphasize the Legislature's assertion of its role as an independent decision- and policy-maker in our state government. Your Committee felt this confirmation was necessary for several important reasons.

The findings note that the Task Force and the Independent Representative were appointed to review the entire matter of the state's obligation to resolve all of the Hawaiian Home Lands claims, and that they fell short of achieving the full scope of their assigned tasks. Nevertheless, not unmindful of the results of the Task Force's labors, your Committee has provided for a bill, as amended herein, that goes well beyond their findings and recommendations in order to achieve what your Committee believes is a more just, comprehensive and widely accepted statutory resolution.

And, as Section 18 of the bill specifically confirms, the Legislature, as the policy-making body of state government, has not considered the findings and recommendations of the Task Force and the Independent Representative to be a contract or to be in any way binding upon it, but instead to constitute findings and recommendations to the Legislature for ultimate legislative resolution.

The findings in the bill have also been expanded and refined to reflect some of the history behind this historic effort, particularly with regard to the wrongs suffered by the native Hawaiian people and the attempts by the Legislature over the past decade to make whole the Hawaiian Home Lands Trust. These steps included the limited waiver of the state's sovereign immunity, the creation of remedies for beneficiaries to assert certain breach of trust and individual claims, and the correction by the state of a number of wrongful acts which have occurred since August 21, 1959.

The findings preface with clarity the statutory mechanics which explain precisely what is, and what is not, being resolved by this bill. The Purpose section which follows likewise restates these matters in a series of six principles which form the pillars of this statutory scheme. Section 4 refines even further the inclusion and exclusion of what is resolved by this bill.

Your Committee has gone to great lengths to ensure this comprehensive language in large part because of, and in response to, the ambiguities that appear in the Act of 1920, and which have plagued the determination and resolution of Hawaiian Home Lands issues since the Act's inception. For this reason, your Committee has striven to produce language that is clear, precise, and unambiguous. This attempt is realized in even greater detail and precision in the specific sections which follow.

Section 5 of the bill reaffirms all land patent grants, as issued, pertaining to lands affected by or arguably affected by the Hawaiian Homes Commission Act of 1920 up until July 1, 1988. Under Section 5, Section 4 and common principles of real property law, all appurtenant and related rights are similarly affected.

The primary purpose behind reaffirmation has been to bring certainty to all titles which spring from these patents. Further, this reaffirmation disposes of any challenge to the validity or authority of the governmental entity(ies) that issued and/or administered them. Your Committee has provided this and related language in the bill in part to ensure that meaningful and affordable title insurance on these lands remains available to Hawaii's residents, to assure that all manner of social and economic activities as have their root and base in good land title may flourish, and to quiet title to such lands as are now no longer in the trust but in the hands of other public and private owners.

In connection with this reaffirmation, your Committee requested that the department provide the Legislature with its complete list of all land patent numbers and tax key numbers which it has researched and gathered as part of its work of identifying the Hawaiian home lands. The department did so by its transmittal memorandum dated April 27, 1995, over the signature of its chair. This massive amount of information, containing over two thousand items of data in the form of tax map keys, grant numbers, and square footage, is a rich resource for all persons who might seek confirmation of the application of this bill to specific lands.

It must be emphasized that the resolutions set forth in this bill are not meant to be limited to the lands and grants listed in those materials. Nonetheless, these materials reassured your Committee that to the extent documentation for these claims exists, their resolution could be fairly achieved without compromising the objectives of finality and certainty.

The presence of the tax keys together with Section 5 of this Act serves to assure all affected land owners that their title is free and clear of clouds relating to Hawaiian home lands. To this end, the Legislature has caused a complete printed copy of this information, along with a copy of the department's letter, to be deposited with the department as well as the State Archives in order to ensure that public access.

One of the most important aspects of this bill is the inclusion in Section 6 not only of a comprehensive mechanism for funding the new trust fund set up in Section 7, but also the payment of a number of specific sums in final resolution of disputes affecting specific parcels.

Inasmuch as these financial resolutions involve the payment of a substantial amount of state funds, your Committee has obtained expert counsel in order to set up a sound financing mechanism. Subparagraph (1) of Section 6 of the bill, which is the primary location of this mechanism, was drafted by your Committee after careful consultation with the director of budget and finance to ensure its financial soundness and viability.

In addition to this funding mechanism, the bill contains several provisions which allow flexibility to the State in meeting its obligations in the future. These include the right to prepay the amounts owed, as well as the right to transfer land into the trust that is of equivalent value. That value is to be the "fair market value" at the time of the transfer. In these

ways, the bill provides several complementary mechanisms for keeping the trust whole. In addition, of course, it preserves to the department its undiminished entitlement to funding under the state constitution.

All of this is consideration for resolution in full, by the mechanisms specified in the bill, of the claims specified in the bill. These are essentially (a) all title claims to all lands constituting or alleged to be Hawaiian home lands from 1921 to the present through the affirmation of land patents, and (b) all claims against the State for breaches of the trust from August 21, 1959 through July 1, 1988.

Not resolved by this bill are (a) non-title claims against the federal government (though the Act expressly resolves and releases the State from liability for derivative claims asserted by the federal government against the State), (b) claims for breaches of the trust by the State after 1988 (as specified in HRS chapter 673), and (c) individual administrative and monetary claims (as specified in HRS chapter 674.)

With regard to HRS chapter 674, your Committee has felt the need to amend that chapter to ensure that the title and other breach of trust claims, as resolved elsewhere in this bill, remain conceptually distinct from individual claims which may or may not relate indirectly to title matters. The purpose of these amendments in Sections 14 and 16 is to prevent the maintenance or resolution of individual claims by the Hawaiian Home Lands Trust Individual Claims Review Panel from clouding any of the titles to lands constituting or alleged to be Hawaiian home lands.

The new trust fund itself is made a part of the 1920 Act and is set up to provide annual funding for up to twenty years in order to allow the department the financial ability it needs to undertake such things as much-needed capital improvements for infrastructure. The department's fiduciary duty to the trust fund is confirmed, and fiscal reporting is built in.

The conduct of future Legislatures has been a matter of considerable discussion by your Committee. Clearly, this Legislature is wholeheartedly committed to this comprehensive resolution of Hawaiian claims.

In this regard, it is significant to note that in the spirit of cooperation which has fostered this bill, the many native Hawaiians who have dialogued with your Committee in this process have expressed their willingness to trust the future to the goodwill and integrity of all Hawaii's people to see that the maximum twenty-year commitment provided in the bill in fact comes to pass. It is the clear intent and expectation of this Legislature that future Legislatures not renege on the commitments contained in this bill.

In Section 12, the bill revokes the earlier waiver of the State's sovereign immunity, to the extent not previously withdrawn as a matter of law, with some exceptions as specified. This section must be read in conjunction with Sections 13, 14, 15, and 16, which amend the aforementioned HRS chapters 673 and 674 in order to clarify the differences between the individual claims of beneficiaries and claims relating to title and other breach of trust allegations.

Section 12 should also be read in conjunction with the combination integration and severability provisions of Section 19. An integral concept of these provisions is that this bill is for the most part a package deal; if a successful challenge is brought to nullify a portion of this bill, the remainder will fall with it. The exceptions to this provision are that (a) the State's reassertion of sovereign immunity and revalidation of patents, and (b) certain specified resolutions, are fully severable and permanent.

Section 16 provides immunity from suit for any of the actions of the various participants in the process which has produced this bill.

Your Committee trusts that all who deal with this bill in the future will construe it in the true spirit of its intent and purpose, which, among other things, are the result of a labor of love. If we may modernize a Hawaiian proverb: E lawe nui ana kakou no loko a'e o keia mau kanawai. Let us all draw greatly from within these laws.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1828, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1828, H.D. 2, S.D. 1, C.D. 1.

Representatives Arakaki, Tom, Say and Case,
Managers on the part of the House.

Senators Grauly, Ikeda, Aki, Baker and Solomon,
Managers on the part of the Senate.

Conf. Com. Rep. 115 on H.B. No. 745

The purpose of this bill is to appropriate \$60,000 for the development of a comprehensive, statewide nonpoint source pollution control program in the Office of State Planning. This is a federally mandated program eligible for federal funds subject to a fifty percent state match.

Your Committee has amended this bill by:

- (1) Rewriting the purpose section to include the Department of Health Nonpoint Source Water Pollution Management Program;
- (2) Adding a new section describing federal funds available for the Department of Health Nonpoint Source Water Pollution Management Program;

- (3) Amending Section 128D-2, Hawaii Revised Statutes, to allow the use of the Environmental Response Revolving Fund for water pollution control;
- (4) Appropriating \$100,000 from the Environmental Response Revolving Fund for the Department of Health Nonpoint Source Water Pollution Management Program; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 745, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 745, H.D. 2, S.D. 2, C.D. 1.

Representatives Shon, Say, Jones, Santiago, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Ikeda, Tam, Chumbley and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 116 on H.B. No. 48

The purpose of this bill is to reaffirm the Legislature's policy-making function of establishing priorities for the State through appropriations, budget provisos, and other means for the various activities of the State.

The bill also:

- (1) Amends the definition of "agency" under the uniform information practices law to include corporations and other entities whose operations are funded by the State;
- (2) Transfers unspecified amounts from certain special funds, revolving funds, and accounts to the general fund;
- (3) Establishes the Medicaid Investigations Recovery Fund with revenues generated as a result of investigative and litigation costs ordered by the courts to be paid by those found guilty of Medicaid fraud;
- (4) Requires certain end-of-the-year procedures for general fund accounts and non-general fund cash balances; and
- (5) Requires certain one-time procedures for general fund, special fund, county fund, interdepartmental fund, and revolving fund accounts established prior to July 1, 1994.

Your Committee has amended the bill by:

- (1) Deleting the following:
 - (A) The findings and purpose section;
 - (B) Amendments made to Sections 37-31, 37-34, 37-35, 37-36, 37-37, 37-39, 37-66, and 92F-3, Hawaii Revised Statutes; and
 - (C) Sections 13 and 14 of the bill;
- (2) Inserting the sums to be transferred from certain special funds, revolving funds, and accounts to the general fund;
- (3) Requiring each department to submit a report for each non-general fund account to the Legislature no later than twenty days before the convening of each legislative session;
- (4) Effectuating the transfer of \$12 million in non-bond proceeds from the Dwelling Unit Revolving Fund to the general fund;
- (5) Effectuating the transfer of \$34 million in non-bond proceeds from the Homes Revolving Fund to the general fund;
- (6) Appropriating \$50,000 for legislative studies and contractual services by the Office of the Legislative Auditor; and
- (7) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

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

Representatives Say, Kawakami and Marumoto,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka,
Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 117 on H.B. No. 1787

The purpose of this bill is to assist residents of the Hilo-Hamakua area on the island of Hawaii who are facing the closure of the Hamakua Sugar Company and the Hilo Coast Processing Corporation.

This bill:

- (1) Extends for one year the authorization to expend funds appropriated in the past two years to aid residents of the Hilo-Hamakua area; and
- (2) Makes other appropriations for purposes that include supporting agriculture, promoting economic development, re-training displaced sugar workers, supporting the continued use of existing housing, and providing social services.

Your Committee has amended this bill by:

- (1) Allowing former sugarcane employees of Mauna Kea Agribusiness to obtain low-interest loans to help meet their mortgage and other housing expenses;
- (2) Directing that a portion of a prior appropriation shall be expended by the Hamakua/North Hilo Agricultural Cooperative as a grant made pursuant to Chapter 42D;
- (3) Replacing the purpose section in Part III with language describing why the repair and maintenance of the Lower Hamakua Ditch is important to the region and how the public purpose would be served;
- (4) Creating a new Part IV and inserting a new purpose section for that portion of the bill making appropriations for various economic development, job training, technology, housing, and health programs;
- (5) Inserting the appropriation amounts; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1787, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1787, H.D. 1, S.D. 2, C.D. 1.

Representatives Say, Chang and Marumoto,
Managers on the part of the House.

Senators Ikeda, Iwase, Holt, Ige and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 118 on H.B. No. 1920

The purpose of this bill is to make technical corrections and substantive changes to the law governing the Hawaii Hurricane Relief Fund (Fund).

Your Committee upon further review has made the following amendments to H.B. 1920, H.D. 2, S.D.2:

- (1) Added a definition of "companion policy";
- (2) Clarified that the insurance premiums referred to in the law are gross direct written premiums;
- (3) Clarified that companion policies be included in the computation of the total insurance assessment;
- (4) Stated that the total insurance assessment is based on gross direct written premiums from all licensed property and casualty insurers whether acting as servicing facilities or not, and includes other insurers acting as a servicing facility;
- (5) Deleted the requirement that the total assessment allocated to servicing facilities based on written premiums for hurricane insurance be as provided in the plan of operations; and
- (6) Made technical and nonsubstantive changes for purposes of style, clarity, and consistency.

The amendments made take into consideration the plan of operation followed in administering the Fund. Under the plan, both "companion policy" and "gross direct written premiums" are employed and reflect current terminology used in the trade and industry. The changes will better define the formula utilized by the industry.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1920, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1920, H.D. 2, S.D. 2, C.D. 1.

Representatives Menor, Say, Cachola, Yamane and Ward,
Managers on the part of the House.

Senators Ikeda, Holt and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 119 on H.B. No. 1220

The purpose of this bill is to appropriate general operating and capital improvement funds for the support of state government operations over the 1995-1997 fiscal biennium.

STATE ECONOMIC OVERVIEW

At no time in the history of the State has there existed a more urgent reason to bring about meaningful fiscal reform to the state budgetary process than at the present. Gone is the decade of the budgetary surplus and unfettered state government expansion; so too are the years of legislative complacency over the State's economic future. After almost ten years of economic growth, the State entered a new cycle of slow growth in 1991. Reports indicate that the growth rate of the gross state product in Hawaii fell in 1991 and remained at or near zero until 1994. The lackluster earnings of the State over the past several years reflect persistent and on-going weaknesses in Hawaii's economy. Moreover, most economic indicators predict only modest gains in Hawaii's economy over the next two years. The projected budgetary shortfall of \$250,000,000 for the current fiscal year and the next biennium provides an indicator of the tough economic times the State will face if decisive action is not taken by the Legislature to regain control over the state budgetary process. Moreover, the state Council on Revenues issued an even less optimistic forecast for the State's economic future in its April 5, 1995 report by increasing its earlier estimate of the shortfall by another \$100,000,000.

In its approach to the development of this budget, your Committee turned a critical eye toward rectifying some of the underlying reasons for government inefficiency in Hawaii, including, but not limited to, the rate of government expansion and the increase in program spending over the past several years. Your Committee is committed to the development of a zero-growth budget that takes the necessary steps to avert the drastic funding reductions that will become necessary if the Legislature fails to take action to restore discipline and accountability to the state budgetary process.

Your Committee subscribes to the widely-held belief that meaningful fiscal reform will not occur in the state budgetary process until changes are brought about by clear and decisive actions of the Legislature. The changes imposed upon executive agencies under this budget will not be painless. A piecemeal approach to budgetary reform will not achieve the type of results sought by your Committee. While arbitrary cuts have been avoided, your Committee has called for spending reductions within the budgets of each branch of state government. In conjunction with other measures approved by your Committee, this budget will result in the development of a better focused, more efficient, and less cumbersome state operating system. While reducing program spending was a major element in the Committee's approach to the development of this budget, general fund savings have also been realized through the adoption of new and innovative revenue enhancement strategies and the creation of new means of financing mechanisms. The development of a leaner, more responsive state government serving the needs of the public from a foundation of less resources is the ultimate objective of your Committee. Your Committee believes that the foregoing objectives can only be attained by:

- (1) Downsizing and right-sizing programs and operations wherever possible;
- (2) Consolidating duplicative and overlapping functions and services whenever warranted; and
- (3) Eliminating ineffective and nonessential programs, services, and operations as necessary.

The sections that follow highlight the major budgetary changes and recommendations made by your Committee in developing the general appropriations budget for the 1995-1997 fiscal biennium.

ECONOMIC DEVELOPMENT

In keeping with its effort to promote efficiency in government, your Committee has pared back the budgets of various programs in the area of economic development. However, in recognition of the importance of the tourism industry to the State's economy, your Committee has allocated \$25,000,000 during each year of the upcoming biennium for the Hawaii Visitors Bureau. Your Committee finds that this commitment will enable the Hawaii Visitors Bureau to aggressively promote and develop the State's visitor industry.

EMPLOYMENT

Your Committee finds that the School to Work Transition Centers of Waianae and Farrington High schools (Quick Kokua) provide vital and valuable services to meet the special needs of the communities of Waianae-Nanakuli and Kalihi-Palama. As such, your Committee has appropriated funds for four social workers and maintained funding for two public health nurses for these transition centers. The social workers and public health nurses directly address the complex and interrelated socio-economic problems of the students and their families in these communities in order to help the students make a successful transition from school to work, further education, or both.

TRANSPORTATION FACILITIES AND SERVICES

Although the programs within the Department of Transportation are funded exclusively through non-general funds, the budgetary requests of the department were nonetheless scrutinized under the standards applied to all other programs of the State. In keeping with its objective to make across-the-board reductions in program spending, your Committee has made

appropriate cuts in program spending throughout the transportation budget. After examining the department with equal scrutiny, your Committee has also denied all inflationary adjustments for the upcoming biennium.

ENVIRONMENTAL PROTECTION

While various budgetary reductions have been made in the area of environmental protection, your Committee wishes to focus its discussion on one particular point of concern, namely, the apparent use of special fund moneys by the Department of Health for administrative and other non-intended purposes. Your Committee finds that the various special funds of the Environmental Management Division of the Department of Health were established to address specific problems in the environment. The statutory provisions of each special fund clearly delineate the intended uses of each fund. However, recent reviews of the expenditures of the department reveal the wide use of special fund moneys for various inappropriate purposes. Your Committee intends to further review this concern.

HEALTH

In keeping with the Committee's theme of maximizing the use of resources, a bold step has been taken by your Committee to improve the fiscal administration of the state hospital system. Over the years, the hospitals have moved slowly toward greater autonomy within the state system. Under measures pending before the Legislature, even more progress will be made in moving toward that direction. S.B. No. 1674 will serve to lift the yoke of the State from hospital administration, while keeping the system entirely accountable to the Legislature. By easing constraints on purchasing and pay for staff, hospitals will be able to use their resources more efficiently and begin to attract the best and the brightest in the field.

Your Committee finds that the hospitals have consistently demonstrated the capacity to generate sufficient funds to sustain themselves as a system. Legislation approved by your Committee will begin to relieve the State of its general fund obligation to the state hospital. This action will result in a decrease of over \$24,000,000 in general funds over the 1995-1997 fiscal biennium.

During its review of the budgetary practices of the state hospital, your Committee uncovered several highly questionable fiscal practices. Specifically, your Committee found that significant amounts of unbudgeted funds, as well as funds budgeted for permanent nursing positions were diverted by the state hospital into contracts for the purchase of these services. Information reviewed by the Committee reveals that for more than five years, contracts have been issued to the same contractor through the non-bid process for the purchase of nursing services. Had the Legislature's instruction to establish permanent nursing positions been faithfully executed, the state hospital would undoubtedly have been in full compliance with the federal requirement for minimum levels of staffing. Compliance would have also ensured adequate levels of care for state hospital patients and would have avoided the need to approve the additional \$2,900,000 requested for both fiscal year 1995-1996 and 1996-1997 to supplement these services. In addition, part of the \$6,200,000 emergency appropriation for the child and adolescent mental health division was to cover other services provided by the same interest. Because of the questionable nature of these transactions, your Committee has included several provisos in this budget to ensure greater accountability in the future. Your Committee feels that a thorough examination of the agency's budgetary practices is necessary.

Because of the gravity of the Felix v. Waihee consent decree and its potential programmatic and fiscal implications, your Committee has taken all the necessary steps to ensure that resources remain in the appropriate expending agencies and that funds appropriated are utilized to the best extent possible. Your Committee has directed the Department of Health to take steps to facilitate the development of the Hawaii Ohana Project. A federal grant of over \$18,000,000 for the next five years provides for the development of a community-based system of child care for children in Waianae and the leeward district of Oahu. This project integrates seamlessly with the mandates of the Felix v. Waihee consent decree, and may serve as a model for a statewide continuum of care for Hawaii's children.

SOCIAL SERVICES

In keeping with its commitment to consolidate or eliminate inefficient or duplicative programs of the State, your Committee has taken the initial steps toward the elimination of the office of children and youth during the 1996-1997 fiscal year. The functions of the foregoing programs have been transferred to the Department of Human Services.

Your Committee has also provided for the transfer of the State Commission on the Status of Women from the Department of Human Services to the Office of the Lieutenant Governor. The realignment of the commission from the social services program area to the government-wide support area will enable the commission to operate more efficiently. While funding for the commission has been reduced, your Committee believes that sufficient funds have been allocated to ensure full operation of the program.

Your Committee also called for the phase-out of the Job Opportunities and Skills (JOBS) program in the second half of the 1995-1997 biennium. The purpose of the program is to assist individuals in families receiving Aid to Families with Dependent Children (AFDC) assistance to achieve financial self-sufficiency. Regrettably, however, after five years of operation, the JOBS program shows no progress toward the attainment of its principal objective. According to the state auditor, the program is costly, inefficient, and wasteful of time and resources. Based on program expenditures, the auditor estimated the cost of processing each successful exit client in the JOBS program to be nearly \$100,000. Moreover, during fiscal year 1994-1995, the Department of Human Services requested an additional emergency appropriation of \$4,060,557 in general funds to supplement the cost of the AFDC program. Your Committee further finds that the JOBS program is scheduled to conclude on September 30, 1995 and that the likelihood of renewal by the federal government is uncertain. The foregoing factors have led your Committee to remove the JOBS program from the budget in

fiscal year 1996-1997 to await Congressional action in restructuring the program. The program may be left the same, expanded, or downsized depending on the amount of federal funds available.

Your Committee further finds that cost of operating the various assistance programs under the Department of Human Services has escalated steadily over the years. For fiscal year 1994-1995, an additional appropriation of \$19,751,055 was appropriated during the current legislative session to cover payments to assist families with dependent children, general assistance expenses, and the QUEST program. During periods of fiscal austerity, the high cost of these programs become even more apparent. Other state programs are affected as limited resources are diverted to cover the needs of these assistance programs. The clear trend in other states has been to cut back on the funding of these payment programs. Your Committee supports measures to control the growth of these payment programs, such as a new sixteen hours per week work requirement for AFDC recipients and block grant funding for the general assistance program.

In reviewing the budget of the Department of Hawaiian Home Lands, your Committee found sufficient amounts of non-general fund moneys within various special fund accounts to fund a number of positions in the department. In this regard, your Committee has changed the means of financing of these positions from general funds to the alternate sources identified.

EDUCATION

This year, the budgetary process of the Department of Education rose to new levels of obscurity. While the department did submit adequate documentation for its request items, the bulk of the department's \$700,000,000 current services budget escaped the scrutiny of the Governor's review. The budget submitted to the Legislature was fraught with highly questionable budget practices, and were it not for the exhaustive review of your respective Committees, much of this suspect activity would have avoided the light of responsible review. Along with a budget that was deceptive in its construction, the department held firm to claims that the executive and the Legislature would leave the department seriously underfunded if the budget were passed as is. Your Committee, in its review, feels assured that this is not the case, and that much of the money that has been appropriated to the department has not been expended in a manner that serves the best interest of Hawaii's children. Because of the direct correlation between proper resource distribution and the success of instructional programs, your Committee believes that the department bears a fundamental responsibility to provide detailed, factual, and straightforward budgetary information to the executive and the Legislature.

After reviewing the department's budget, your Committee found many of the department's claims relating to anticipated shortfalls to be without substantiation. Through the redistribution of moneys that the department had acknowledged were overages in programs, your Committee was able to direct substantial amounts of funding to regular instruction. The deficits of \$9,000,000 and \$12,000,000 that the department had placed against regular instruction have been fully funded. Through its review and actions, your Committee has developed a budget that goes far beyond the executive budget in putting our schools as the highest priority.

In the area of regular instruction, your Committee has provided for the addition of nearly three hundred teachers for the classrooms of Hawaii. While the bulk of these positions are newly appropriated by the Legislature, your Committee thought it prudent to redirect additional instructional positions from the state and district offices to the schools. The department has been given a year to make this transition that will again place more emphasis in direct classroom instruction. Equipment and books were provided for twenty-two new schools.

Your Committees have had many opportunities to hear the concerns of parents, students, and educators throughout the State through correspondence and in various community hearings. One of the most common pleas was for the Legislature to address the on-going shortage of textbooks and library books for our schools. Your Committee was appalled at the depth and severity of the problem. Fortuitously, in the process of examining the budget, your Committee had uncovered a substantial amount of federal funds that were not accounted for in the executive budget. The \$3,600,000 grant was given by the United States Department of Defense to accommodate some of the burden placed on the system by the enrollment of military dependents, with flexibility of use granted to the department. With the approval of the department, your Committee has provided \$3,200,000 of the federal funds specifically for the acquisition of student texts and library books for all Hawaii schools, with the balance of \$400,000 going to support the Superintendent's Success Compact for literacy. For the second year of the biennium, \$1,900,000 for library books will be provided out of the State's general fund.

Because of a concern of not diverting resources from the classroom, your Committee has also provided \$1,300,000 for each year of the biennium to allow the department to meet its workers compensation obligation. Knowing that education is a high priority, the Department of Education was the only department in the State provided with additional moneys to meet such costs.

Finally, your Committee wishes to discuss the matter of using available resources in a manner that directs both resources and energies to the classroom. We believe that this budget has taken a dramatic step in this direction. Through the use of provisos, your Committee hopes to address concerns in personnel policies, inefficient budgeting for equipment, and overall budgeting practices.

HIGHER EDUCATION

While funding in the area of higher education has been reduced significantly, your Committee has developed several revenue enhancement mechanisms to offset some of the reductions envisioned in this budget. Although cutbacks in various areas are necessary, your Committee believes that the reductions proposed by the Governor--\$7,200,000 for the remainder of fiscal year 1994-1995; \$14,400,000 for fiscal year 1995-1996; and \$14,400,000 for fiscal year 1996-1997--are too drastic in several respects. For example, the cutbacks envisioned by the Governor appear to disproportionately impact the statewide system of community colleges.

As noted above, your Committee, through the approval of S.B. No. 937, has developed various mechanisms to offset some of the reductions in funding proposed in this budget. The bill establishes a special fund to provide the University of Hawaii with greater budgetary flexibility and enable the use of self-generated revenues from various sources toward the development and improvement of existing programs. The bill proposes several revenue generating mechanisms to maximize the earnings of the special fund, including but not limited to: (1) expanding the burden on non-residents; (2) increasing the fee charged under the university's apprenticeship program; and (3) appropriating the earnings of a non-general fund revenue source under the university to the special fund. The non-general fund revenue generating mechanisms established by your Committee to offset the reductions in general fund appropriations will ensure program continuity within Hawaii's institutions of higher education.

CULTURE AND RECREATION

While it fully supports the growth and expansion of the arts in Hawaii, your Committee made various reductions in the amount of funds to be allocated to the state foundation on culture and the arts. Although the reductions are sizable, your Committee finds that the funding cuts will not preclude the foundation from issuing grants in the 1995-1997 fiscal biennium.

PUBLIC SAFETY

Two major issues of concern for your Committee in the area of public safety included the problem of prison overcrowding and the high cost of overtime pay for Department of Public Safety personnel. To address the matter of prison overcrowding, your Committee has allocated funds for the operation of an eighty bed dormitory on Kauai and a seventy-two bed dormitory on the island of Hawaii.

In its examination of the public safety budget, your Committee focused particular attention upon the department's efforts to control overtime costs. Preliminary studies indicate that \$1,200,000 could be saved if lockdown procedures are instituted at facilities in lieu of payment of overtime fees to corrections employees. Your Committee acknowledges and concurs with the administration's effort to remedy the situation and is hopeful that the lockdown plan will reduce overtime costs.

Your Committee is also committed to the maintenance of adequate health services at correctional facilities. Additional positions and funds have been appropriated to enable the health care division of the Department of Public Safety to provide efficient and effective mental health services. The additional resources will enable the health care division to comply with the requirements of the consent decree to provide adequate health care.

GOVERNMENT-WIDE SUPPORT

In keeping with its effort to eliminate duplication among state programs, your Committee has abolished the office of international relations, whose functions have been taken in by the department of business, economic development, and tourism. To reduce expenditures and curtail further program expansion, your Committee has imposed various fiscal constraints on the Office of the Governor and the Office of State Planning.

CONCLUSION

As noted in the introductory section of this report, the challenges currently facing the people of Hawaii are unprecedented in the history of the State. The choices made by your Committee in the course of developing this budget have been difficult, but the economic realities of the present dictate that we all share in the sacrifices that must be made. In addition to the budgetary reductions called for in this budget, spending cuts have been made in the budgets of the Legislature, the Judiciary, and the Office of Hawaiian Affairs.

The future of the State is literally at stake; the actions of the Legislature at this juncture will play a pivotal role in affecting the bearing of our path into the next century. Your Committee is committed to positively influencing this outcome, and that this commitment has been reflected in its work on this measure.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1220, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1220, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi, Liu and Fernandes Salling,
Managers on the part of the Senate.

Conf. Com. Rep. 120 on H.B. No. 1262

The purpose of this bill is to provide the necessary appropriations and authorizations for the operations and capital improvements of the judicial branch during the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a new cycle of slow economic growth in 1991. Over the past four years, Hawaii has experienced a serious decline in its economy due to a series of events including the Persian Gulf War, Hurricane Iniki, and a lingering national recession. Changing priorities in the United States Congress have also cast uncertainty on many federally funded programs that the State relies upon to serve its people.

Your Committee began its fiscal deliberations with a projected shortfall of \$350,000,000 over the next two and one-half year period. This projected shortfall provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to re-establish legislative control over state spending. Your Committee is committed to the development and passage of a fiscally responsible budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the Legislature fails to restore discipline and accountability to the state budgetary process.

Your Committee recognizes that the Judiciary meets its constitutional responsibilities at a high cost to the State. This problem is further exacerbated by poor fiscal accountability and the continued failure to operate under established budgetary and management practices. While the Judiciary has made significant progress in improving its budget system since 1989, there are many areas that still need to be improved. The way in which the Judiciary restricts, adjusts, and transfers moneys within its organization defeats the budgetary process and is of serious concern to your Committee. Your Committee concurs with the Auditor's Report entitled "Audit of the Judiciary's Management of its Resources (95-1)", that cites these problems as important issues for the Judiciary to resolve.

An efficient budgeting process is based on overall administrative priorities. However, the Judiciary does not give programs sufficiently explicit overviews of such priorities or administrative direction. The lack of clear communication of priorities and direction has resulted in diverse and contradictory program execution. Your Committee emphasizes the need for the Judiciary to improve collaboration between overall objectives, priorities, and actual program expenditures to produce an efficient budget.

Among the most egregious examples of budgetary mismanagement are the questionable tactics employed by the Judiciary's budget and statistics division of intentionally restricting and reallocating legislative appropriations to create a "reserve contingency fund". These funds are then expended for emergency and unanticipated needs which do not directly address the purpose for which they were appropriated. This practice demonstrates the Judiciary's lack of confidence in its court administrators to set priorities, handle emergencies, and execute legislatively approved activities with the resources provided. The Judiciary needs to respect legislative intent by closely following its budget appropriation and end the practice of restricting public services to fund large contingent purchases with the resulting operational cost savings.

In finalizing the Judiciary's budget, your Committee appropriated the funds necessary for the Judiciary to meet its current program and operational expenses without resorting to the elimination of "warm body" positions.

In conclusion, your Committee has crafted this budget with a view toward the economic realities confronting the State as well as varied proposals, concerns, and objectives of the public, the Judiciary, the House of Representatives, and the Senate. Your Committee believes that this Budget provides an equitable and fiscally responsible allocation of resources to the Judiciary that will serve the people of the State and set the course for budgetary discipline in the future.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1262, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1262, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 121 on H.B. No. 1780

The purpose of this bill is to provide the necessary appropriations to the Office of Hawaiian Affairs (OHA) for the 1995-1997 fiscal biennium.

After almost a full decade of economic prosperity in Hawaii, the State entered a cycle of slow economic growth in 1991. Over the past four years, Hawaii has experienced a serious decline in its economy due, in part, to the effects of the Persian Gulf War, Hurricane Iniki, and a lingering national recession. Changing priorities in the United States Congress have also cast uncertainty on many federally-funded programs that the State relies on to serve its people.

Your Committee began its fiscal deliberations with a projected shortfall of \$350,000,000 over the next two and one-half years. This projected shortfall provides an alarming indicator of the troubled times the State may face if immediate and decisive action is not taken to reestablish legislative control over state spending. Your Committee is committed to the development and passage of a budget that takes prudent steps to avert the drastic actions that will undoubtedly become necessary if the Legislature fails to restore discipline and accountability to the state budgetary process.

In the past, your Committee has expressed concern over OHA's questionable and inconsistent use of trust funds. Unfortunately, this concern was again a major issue in your Committee's examination of OHA's budget request for the upcoming biennium.

As noted above, OHA's arbitrary use of trust fund moneys continues to be a troubling issue. Your Committee finds that OHA has used trust fund moneys in the past to create staff positions that were not authorized by the Legislature. Subsequent to the unauthorized creation of these positions, OHA came to the Legislature for matching general funds to sustain these positions. For these reasons, OHA's current request for matching general funds is denied.

Your Committee also found that OHA had extra capacity in selected expense items in many of its programs. After correspondence with program officers, your Committee reduced OHA's funding to reflect actual budgetary requirements for the expense items in question.

Discrepancies in expense reporting are also of concern. Expense amounts reported to the Legislature in budget justification tables did not match expense amounts reported by respective program officers, thus impeding your Committee's ability to evaluate OHA's budget requirements. Your Committee encourages OHA to develop a budget that is concise, and to provide the Legislature with budget justification tables that accurately reflect both current funding requirements and previous funds expended for various items, as reported to OHA's administration by OHA's program officers.

Despite these concerns, your Committee wishes to acknowledge the fact that OHA has made progress in its efforts to improve the condition of people of Hawaiian descent. General funds with matching special funds for worthwhile programs such as Alu Like, Waiānae Diet, Maui Early Education, Kawai Ola O Oha, Native Hawaiian Revolving Loan Fund, Self Help Housing and various other services administered by OHA are therefore appropriated for the 1995-1997 fiscal biennium.

Your Committee encourages OHA to search for ways to economize on its administrative costs and concentrate on services that will best advance conditions for all Hawaiians.

Your Committee has thoroughly reviewed the various issues and funding requests from OHA and is confident that a fair and fiscally responsible budget has been formulated. Although requests to expand services have been denied, your Committee feels that the proposed budget will enable OHA to meet the needs of OHA's program endeavors.

Your Committee on Conference is in accord with the intent and purpose of H.B. No. 1780, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1780, H.D. 1, S.D. 1, C.D. 1.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, kawamoto, Solomon, Tanaka, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 122 on S.B. No. 82

The purpose of this bill is to institute a multi-faceted attack on crime by providing a wide range of rehabilitative services and alternatives to incarceration, and by establishing a drug court.

Your Committee finds that these programs, including intermediate sanctions, electronic monitoring, sex offender and substance abuse programs, increased numbers of parole officers, and residential work-furlough programs offer the best solutions to decreasing crime in Hawaii.

Your Committee has amended the bill by:

- (1) Adding sections permitting the use of intermediate sanctions;
- (2) Amending the Judiciary's appropriation to cover only the drug court;
- (3) Amending the Department of Public Safety's appropriation to cover only the electronic monitoring program; and
- (4) Making technical, nonsubstantive corrections for the purposes of accuracy and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 82, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 82, S.D. 2, H.D. 2, C.D. 1.

Representatives McMurdo, Tom, Say, Case and Meyer,
Managers on the part of the House.

Senators Ikeda, Graulty, Baker, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 123 on S.B. No. 201

The purpose of this bill is to:

- (1) Create a temporary task force to convene representatives from communities around the State for the development of a comprehensive program for improving Hawaii's ability to protect its environment; and

- (2) Allow the Director of the Department of Land and Natural Resources (DLNR) to consider forming a citizen-based extension service to assist state personnel in monitoring and enforcing environmental regulations.

Upon further consideration, your Committee has amended this measure by:

- (1) Creating an environmental advisory task force within the Department of Health (DOH), rather than an environmental task force within the Office of State Planning, which shall:
- (a) Advise and comment on the procedures used by DOH to promote grass-roots participation in environmental issues of concern in Hawaii, including DOH's efforts to adopt goals and objectives for environmental protection;
 - (b) Direct DOH's efforts to promote environmental education programs and initiatives; and
 - (c) Serve as a forum for public participation and comment on the environmental goals and objectives adopted by DOH.
- (2) Broadening the composition of the task force;
- (3) Requiring that the task force use an internal timetable for the accomplishment of its tasks;
- (4) Requiring that the task force provide status, interim, and final reports to the Legislature;
- (5) Allowing DOH to receive and expend monetary donations and gifts for the accomplishments of the task force's duties; and
- (6) Making a general fund appropriation of \$15,000 to reimburse task force members for expenses incurred during the performance of their duties.

It is the intent of your Conference Committee to encourage other government agencies to work with DOH in the development of a sound environmental protection strategy, for the mutual benefit of all of Hawaii's people and the environment.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 201, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 201, S.D. 1, H.D. 1, C.D. 1.

Representatives Shon, Say, Kanoho, Santiago and Thielen,
Managers on the part of the House.

Senators Ikeda, Tam, Aki and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 124 on S.B. No. 304

The purposes 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 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.

Article VII, section 13, of the Constitution of the State of Hawaii, requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 304, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 304, H.D. 1, C.D. 1.

Representatives Say, Kawakami, Alcon, Chang, Isbell, Ito, Jones, Kahikina, Kanoho, Nakasone, Nekoba, M. Oshiro, Suzuki, Marumoto and Ward,
Managers on the part of the House.

Senators Ikeda, Baker, Bunda, Fernandes Salling, Fukunaga, Kanno, Kawamoto, Solomon, Tanaka, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 125 on S.B. No. 458

The purpose of the bill is to develop strategies to address the needs of displaced sugar workers in danger of losing their homes by providing for:

- (1) The development and implementation of strategies to provide affordable housing;
- (2) An emergency loan program; and
- (3) A grant program to finance the temporary relation of families.

Your Committee on Conference finds that the Waialua Sugar Company has announced that it will be terminating its operations on approximately twelve thousand acres of land in the Waialua area by the spring of 1996. Incremental layoffs have already begun as of March 1995. The next wave of layoffs will take place in September of this year. Housing ranks among their primary concerns. Currently, many employees and their families live in plantation homes owned by the company. With the closing of Waialua Sugar Company, many of these families face the possibility of losing their homes.

The immediacy of this closure will result in significant negative impacts to the Waialua sugar workers and the shutdown will threaten the economic and social stability of the entire Waialua area of the North Shore of Oahu.

Thusly, your Committee recognizes that all displaced sugar workers are in need of the State's assistance, however, due to the critical nature facing the workers of Waialua Sugar Company, your Committee feels that these workers warrant immediate assistance.

In light of this, your Committee on Conference has amended the bill to provide relief specifically for Waialua Sugar Company workers and to:

- (1) Appropriate out of the rental assistance revolving fund of the State of Hawaii the sum of \$75,000 for the development and implementation of strategies to provide affordable housing for the displaced workers of Waialua Sugar Company;
- (2) Appropriate \$664,000 out of the rental assistance revolving fund of the State of Hawaii for emergency loan and grant programs to provide temporary assistance and relocation of families of displaced workers of Waialua Sugar Company;
- (3) Delete the requirement that loan program rules be adopted pursuant to chapter 91, Hawaii Revised Statutes, to expedite the loan process; and
- (4) Delete the appropriation from general funds to develop and implement a grant program to finance the temporary relocation of families displaced by the closure or downsizing sugar companies.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 458, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 458, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Kawakami, Kahikina, M. Oshiro and Kawananaoka,
Managers on the part of the House.

Senators Ikeda, Bunda, Chumbley, Holt and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 126 on S.B. No. 1626

The purpose of this bill is to authorize indefinitely the deposit of overhead funds into the housing assistance revolving fund. It specifically repeals the termination date for the deposit of overhead funds into the housing assistance revolving fund.

Your Committee finds that the housing assistance revolving fund is used to assist eligible faculty of the university who lack sufficient financial resources to purchase a principal residence. The fund has been proven to be a useful tool for faculty recruitment and retention.

Your Committee has amended the bill by adding a new section to specifically repeal the termination date of the deposit of overhead funds into the discoveries and inventions revolving fund that is scheduled for the end of the 1995-1996 fiscal year.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1626, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1626, S.D. 1, H.D. 2, C.D. 1.

Representatives Lee, Say, Ito, Tarnas and Marumoto,
Managers on the part of the House.

Senators Ikeda, Ige, Iwase, Taniguchi and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 127 on S.B. No. 1336

The purpose of this bill is to:

- (1) Establish the Hui 'Imi advisory council;
- (2) Extend the appropriation contained in section 12 of Act 200, Session Laws of Hawaii 1994, to fiscal year 1995-1996 for the Hawaiian sovereignty election council.

The function of the Hui 'Imi Pono Advisory Council is to advise the Legislature, the Governor, the Office of Hawaiian Affairs, the Department of Human Services, the Department of Hawaiian Home Lands, and major private Hawaiian organizations on issues regarding Hawaiian services and programs.

Your Committee has amended the bill by:

- (1) Providing that the initial member organizations that serve on the Hui 'Imi Pono advisory council shall be the organizations listed in the bill;
- (2) Deleting the provision concerning the role of the Lieutenant Governor in appointing member organizations to the council;
- (3) Deleting the provision authorizing the Lieutenant Governor to add or remove organizations from the membership of the advisory council;
- (3) Requiring the the advisory council to establish rules determining quorum requirements;
- (4) Changing the initial member organization Lunalilo Home to be designated as The Lunalilo Home;
- (5) Deleting the extension of the appropriation contained in Section 12 of Act 200, Session Laws of Hawaii 1994;
- (6) Deleting the appropriation for completing the plebiscite-related functions and planning an election of delegates;
- (7) Deleting the appropriation for conducting an election of delegates and for expenses incurred during the first month of Hawaii convention costs;
- (8) Deleting the section pertaining to the role of the Department of Accounting and General Services for the purposes of expending funds for the plebiscite functions, planning of delegates, and conducting an election of delegates and for expenses incurred during the first month of Hawaii convention costs;
- (9) Changing the amount appropriated for the purpose of staffing the Hui 'Imi Pono Advisory Council from \$1 to \$40,500 for fiscal year 1995-1996 and from \$1 to \$40,500 for fiscal year 1996-1997; and
- (10) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1336, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1336, S.D. 2, H.D. 2, C.D. 1.

Representatives Arakaki, Say, Kanoho, Kawakami and Kawananaoka,
Managers on the part of the House.

Senators Ikeda, Aki, Kawamoto, McCartney and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 128 on S.B. No. 487

The purpose of this bill is to extend until August 1, 1997, the moratorium on manufacturers and jobbers of petroleum products from opening any additional company-operated retail service stations.

Specifically, this bill:

- (1) Allows manufacturers and jobbers of petroleum products to open a maximum of two additional company operated retail service stations up to August 1, 1997;
- (2) Allows the replacement of company-operated retail service stations that have closed due to expiration or termination of the station's ground lease, provided that the manufacturer/jobber negotiates in good faith to renew the ground lease and the replacement station is located within a two-mile radius of the station it replaces;
- (3) Requires the Attorney General to provide a legal opinion to the Legislature on the question of whether permanent "divorcement" would constitute a "taking" in violation of the Fifth Amendment of the United States and Hawaii constitutions;
- (4) Requires the Legislative Reference Bureau, in consultation with other agencies, to study the issues surrounding this issue of divorcement to formulate policies that protect the short-term and long-term interests of gasoline consumers in Hawaii; and
- (5) Providing a civil penalty of \$1,000 per day for each violation of this prohibition.

After due consideration, your Committee finds that the Attorney General's legal opinion is of primary concern and that further study of this issue is not necessary. For this reason, your Committee has deleted section 5 of the bill that required the study. Your Committee has also changed the two-mile radius requirement to a one-mile radius requirement.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 487, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 487, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Tom, White, Yoshinaga and Thielen,
Managers on the part of the House.

Senators Grauly, Holt, Matsuura and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 129 on S.B. No. 493

The purpose of this bill is to establish the electronic prescription accountability system within the Department of Public Safety to monitor the prescribing and dispensing of schedule II controlled substances.

In addition, this bill:

- (1) Establishes reporting requirements, specifies the operational parameters of the electronic prescription accountability system, describes the operation of a central repository for information storage and retrieval, and prohibits the disclosure of information except to certain law enforcement personnel and agencies;
- (2) Establishes the controlled substance registration special fund for the purposes of offsetting the cost of the foregoing system and the registration and control of controlled substances within the State, specifies the source of revenues for the special fund, makes a start-up appropriation of \$1 to the special fund, and requires the start-up appropriation to be repaid to the general fund by June 30, 1997; and
- (3) Appropriates \$1 to the Department of Public Safety (out of the controlled substance registration special fund) for the implementation of the foregoing system, the establishment of two full-time equivalent (2.00 FTE) investigator V positions, and other current expenses.

Your Committee finds that the inappropriate, nonmedical use of illicit prescription drugs is a serious public health concern. According to the 1990 National Household Survey on Drug Abuse, an estimated 8,500,000 people twelve years or older used controlled sedatives, tranquilizers, stimulants, or analgesics for nonmedical reasons at least once during the preceding year. According to the National Institute on Drug Abuse-sponsored survey of drug treatment facilities around the country, approximately ten per cent of the patients' principal drugs of abuse were drugs that may be prescribed. The Drug Enforcement Administration has estimated that the illegal diversion of legal controlled substances constitutes a \$25,000,000,000 a year market.

Your Committee also finds that a controlled substance electronic prescription accountability system can efficiently and effectively detect and reduce the use of retail prescription practices to obtain prescription drugs for improper purposes.

Your Committee has amended this bill by:

- (1) Deleting the appropriation provisions;
- (2) Allowing the special fund to be used to fund positions authorized by the Legislature by law;
- (3) Authorizing the fund to receive legislative appropriations; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 493, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 493, S.D. 1, H.D. 2, C.D. 1.

Representatives Pepper, Tom, Menor, Say and Anderson,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley, McCartney and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 130 on S.B. No. 550

The purpose of this bill is to:

- (1) Authorize the Housing Finance and Development Corporation (HFDC) to plan educational facilities and related infrastructure ancillary to the needs of its housing projects;
- (2) Transfer the title of the parcel of land encompassing 47.183 acres located in Kapolei, from the Board of Land and Natural Resources (DLNR) to HFDC to be used for a Kapolei high school; and
- (3) Require that upon completion of construction of the educational facility, title to the land and improvements be conveyed back to DLNR without encumbrances.

Statistics indicate that there is a severe shortage of classrooms in the central and leeward school districts. The need for school facilities on the Ewa Plain in particular is exacerbated by the development of the Villages of Kapolei, a project of the housing finance and development corporation. The construction of educational facilities for these new communities is not being undertaken in keeping with the development of these new housing projects.

Your Committee on Conference, is cognizant of the fact that HFDC's primary focus is in affordable housing. However, your Committee feels that, as the State's unique role as master developer of planned communities, it is the State's responsibility to provide for the educational needs of HFDC's housing projects.

In light of this, your Committee has amended the bill to:

- (1) Add a section stating the Legislature's findings and purpose;
- (2) Require the Department of Education (DOE) to add to its list of considerations in the planning and development of schools, the role of the HFDC in developing housing projects and the resulting educational needs of those housing projects;
- (3) Require HFDC in cooperation with the DOE and the Department of Accounting and General Services (DAGS) to plan educational facilities and related infrastructure as a necessary and integral part of its housing projects using all its innovative powers towards achieving that end expeditiously and economically; and
- (4) Provide HFDC an option for locating the Kapolei high school either in the Villages of Kapolei or on the 47-acre parcel of land being transferred to it by DLNR, and to further provide that if located in the Villages of Kapolei, then HFDC may use the 47 acres for additional housing as part of the Villages of Kapolei; and
- (5) Require that HFDC plan the Kapolei high school in cooperation with DAGS and DOE.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 550, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 550, S.D. 2, H.D. 2, C.D. 1.

Representatives Stegmaier, Arakaki, Say, Jones and Halford,
Managers on the part of the House.

Senators Ikeda, Bunda, Chumbley and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 131 on S.B. No. 944

The purpose of the bill is to enact a new law on money laundering to provide a comprehensive strategy to combat the economic effects of money laundering.

The bill, as received, makes it a class B felony to knowingly transport, transmit, transfer, receive, or acquire property that is the proceeds of unlawful activity or conduct a transaction involving such property or to knowingly engage in the business of conducting, directing, planning, organizing, initiating, financing, managing, supervising, or facilitating transactions involving such property, with the intent to further the unlawful activity or knowing the action is designed in some measure to conceal or disguise the nature, location, source, ownership, or control of the proceeds or to avoid a state or federal transaction reporting requirement. The bill also repeals the existing money laundering law set forth in chapter 708, part XI, Hawaii Revised Statutes.

Your Committee finds that money laundering is an integral component of criminal networks. The continuous flow of money and property into illegal drug use requires a veil of legitimacy to avoid arousing suspicion. This apparent legitimacy frequently is provided through money laundering efforts of financial advisors, lawyers, and others drawn to the illegal drug trade by the allure of quick, easy wealth.

Your Committee also finds that the present law with respect to money laundering contains numerous loopholes that can be used to defeat the intent of the statute. The major loophole involves the requirement that the money laundering be conducted in a single transaction of \$5,000 or more. This allows money launderers to structure transactions so that they will not reach the \$5,000 threshold.

Your Committee has amended this bill to conform it to the federal statute relating to money laundering. In particular, your Committee has included in the prohibited acts knowingly conducting or attempting to conduct a financial transaction involving property represented to be proceeds of specified unlawful activity or property used to conduct or facilitate specified unlawful activity, with the intent to further the unlawful activity or knowing the action is designed in some measure to conceal or disguise the nature, location, source, ownership, or control of the proceeds. Your Committee also has dealt with the monetary threshold problem by deleting the reference to "financial gain of \$10,000 or more" in the definition of "specified unlawful activity" and instead, making the prohibited acts and penalty applicable to any person committing the specified acts if the person believes the value or aggregate value of the property transported, transmitted, transferred, received, or acquired is \$10,000 or more or if the value or aggregate value is, in fact, \$10,000 or more. Your Committee has also made technical, nonsubstantive amendments.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 944, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 944, S.D. 1, H.D. 1, C.D. 1.

Representatives Tom, Hamakawa, White, Yamane and Kawanakoa,
Managers on the part of the House.

Senators Graulty, Matsunaga, Matsuura and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 132 on S.B. No. 1141

The purpose of this bill is to appropriate funds, on a matching basis, to support the Hawaiian Sugar Planters' Association's (HSPA) experiment station and its efforts in sugarcane research and in research for the development of new crops and the maintenance and improvement of current crops.

Your Committee finds that sugar is one of the State's most important industries and is in the process of downsizing with important consequences for the State. There is a continuing need for sugarcane research and for research into diversified agriculture. The HSPA's experiment station provides much needed research that is of benefit to all. Without funding, the experiment station will be required to cut back on its research efforts.

Upon further consideration, your Committee has amended the bill by inserting the amount of \$1,000,000 as the appropriated amount for fiscal year 1995-1996.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1141, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1141, S.D. 2, H.D. 1, C.D. 1.

Representatives Morihara, Say, Chang, Jones and Halford,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 133 on S.B. No. 1331

The purpose of this bill is to temporarily transfer the elections related functions and duties of the Office of the Lieutenant Governor to an appointed chief election officer.

In addition, this bill establishes an office of elections within the Office of the Lieutenant Governor for administrative purposes, to be administered by the chief election officer; establishes an elections appointment panel to select and appoint the chief election officer; and requires the Governor to identify and direct other duties as necessary to the Lieutenant Governor. The bill, which is to take effect on July 1, 1995, is to be repealed on June 30, 1999.

Your Committee finds that this bill will assist in removing any appearance of a conflict of interest on the part of the Office of the Lieutenant Governor, as well as promote accountability and effective management of elections in this State.

Upon further consideration, your Committee has amended this bill by:

- (1) Substituting the appropriations section contained in section 7 of the S.D. 1 version of the bill for the appropriations section contained in section 12. As amended, the bill appropriates \$5,000 for fiscal year 1995-1996, to be expended by the Office of the Lieutenant Governor, to carry out the purposes of the bill; and
- (2) Amending section 14 of the bill to make a technical amendment to the reenactment language. As the bill now reads, on June 30, 1999, "chapters 11 and 12" of the Hawaii Revised Statutes (HRS) will be reenacted in the form in which they read on the day before the effective date of the bill. The effect of this would be to obliterate virtually every amendment made to the elections and primary election laws made between the effective date of this bill and June 30, 1999, when those entire chapters revert to the form in which they read on the day before the effective date of this bill. In addition, the reenactment language in section 14 fails to include section 26-1, HRS, to which conforming amendments were made by section 9 of the bill. In order to avoid confusion, section 14 of the bill is therefore amended by specifying those HRS sections that will be reenacted on the 1999 sunset date.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1331, S.D. 1, H.D. 2, as amended herein, and that it pass Third Reading in the form attached hereto as S.B. No. 1331, S.D. 1, H.D. 2, C.D. 1.

Representatives Tom, Say, Kanoho, White and Thielen,
Managers on the part of the House.

Senators Ikeda, Grauly, Chumbley and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 134 on S.B. No. 1559

The purpose of this bill is to authorize the counties to impose an ad valorem vehicle tax, and to authorize the county Director of Finance to enter into a contract for the registration of new motor vehicles.

Your Committee on Conference has amended this bill to delete the ad valorem vehicle tax provisions and by incorporating amendments to the motor vehicle licensing law to make registration more efficient. In particular the bill, as amended:

- (1) Requires that taxes which fall due on a Saturday, Sunday, or legal holiday be payable on the next business day;
- (2) Increases the fee for entries to the tax lien and encumbrance record from \$.50 to \$5; and
- (3) Repeals the law providing for refunds of taxes for junked, stored, or stolen vehicles and vehicles that have been removed from the State.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1559, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1559, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Hiraki, Tom, Say and Halford,
Managers on the part of the House.

Senators Ikeda, Fernandes Salling, Tanaka, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 135 on S.B. No. 1701

The purpose of this bill is to authorize the housing finance and development corporation (HFDC) to make a one-time transfer of moneys from the rental assistance revolving fund to the rental housing trust fund.

Your Committee on Conference empathizes with the plight of those that require some assistance to meet their housing needs such as those with low incomes, and the displaced workers of Waiialua Sugar Company and Del Monte Pineapple workers living at Poamoho and Kunia who are in danger of losing their homes.

The transfer of funds between revolving housing funds provides flexibility to more efficiently use available funds to provide affordable housing.

In light of this, your Committee has amended the bill to:

- (1) Expand the purpose of the bill to use rental assistance revolving funds to develop strategies to address the needs of displaced sugar workers at Waiialua and Del Monte camps at Poamoho and Kunia;
- (2) Provide that HFDC may make a one time transfer of \$3,200,000 from the rental assistance revolving fund to the rental housing trust fund;
- (3) Appropriate \$150,000 from the rental assistance revolving fund for the development and implementation of strategies for displaced sugar workers; and
- (4) Appropriate \$550,000 from the rental assistance revolving fund for emergency loans and grants to provide temporary assistance and relocation to displaced Waiialua sugar workers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1701, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1701, S.D. 1, H.D. 2, C.D. 1.

Representatives Arakaki, Say, Kahikina, Suzuki and Marumoto,
Managers on the part of the House.

Senators Ikeda, Bunda, Chumbley, Holt and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 136 on S.B. No. 1739

The purpose of this bill is to clarify the intent and authority of the Clean Hawaii Center.

Your Committee finds that the center is to work in partnership with business and government to develop and expand commercial markets for recyclable materials and recycled content products, and to facilitate recycling and environmental business and technology development. The goal of reducing waste is particularly important in a state such as Hawaii, with limited space for waste disposal and no easy access to alternative waste disposal sites.

Your Committee has amended this bill by adding language stating that the State and its officers and employees shall not be held liable for the results of any investment, purchase of securities, loan, or other assistance provided pursuant to this Act provided that they acted with the consent of the board of the Clean Hawaii Center.

Your Committee has also amended this bill by reducing the \$500,000 appropriation to \$300,000 for the Clean Hawaii Center. This appropriation shall be from the clean Hawaii fund of the State, and not from the general fund. All moneys derived from other funding mechanisms established by state law or received by the Clean Hawaii Center in the form of federal, state, county, or private grants or gifts shall be deposited into the clean Hawaii fund.

Your Committee raised concerns regarding the definition of "confidential commercial information", as discussed in section 3 of this bill. Your Committee received clarification on that language from the Clean Hawaii Center, and it is the Committee's understanding that confidential commercial information is defined as technical or operating information whose public disclosure would negatively impact the company's performance, business expansion, profitability, or competitiveness, or cause it to breach contractual obligations to suppliers or customers.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1739, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1739, S.D. 2, H.D. 2, C.D. 1.

Representatives Shon, Kawakami, M. Oshiro, Yamane and Thielen,
Managers on the part of the House.

Senators Ikeda, Tam, Chumbley, Fukunaga and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 137 on S.B. No. 1762

The purpose of this bill is to reform the no-fault motor vehicle liability insurance system by giving consumers a choice between two types of policies, personal injury protection or tort maintenance, as they deem appropriate and affordable for themselves and their families.

The purpose of this bill, as amended, is to provide for a system of "pure no-fault".

Pure no-fault is a system of motor vehicle accident reparations which completely bars lawsuits except for intentional or criminal acts. Medical expenses are paid by the insurer of the injured driver regardless of whether that driver caused the accident.

Your Committee finds that the cost of motor vehicle insurance in the State is the highest in the country. Hawaii has consistently ranked at the top of all states in premium rates for motor vehicle insurance, according to the March 28, 1994, edition of Auto Insurance Report. In light of this and many other factors, your Committee believes that the State's current motor vehicle insurance system is in need of improvements.

Your Committee further finds that liability provisions of the present law are the catalyst for the high premiums for motor vehicle insurance. The reason for this is the cost driver of the "medical-rehabilitative limit" or "no-fault threshold" which artificially causes overuse and abuse of medical treatment in order to reach a monetary amount of medical expenses to qualify to sue in tort.

As this bill progressed through the legislative process, all other models and proposals for an accident reparations system were studied by the various committees of both houses. However, none seemed to address the heart of the matter of liability. Your Committee concludes that a total abrogation of tort liability (except for intentional and criminal acts) is unavoidable to achieve effective reform in the no-fault system.

This bill, as amended, is intended to provide the public with an adequate, effective, and fair system of motor vehicle accident reparations without the necessity of tort liability.

As a means of further reducing medical costs, the bill as amended allows insurers to provide or contract with, health maintenance organizations (HMOs) and preferred provider organizations (PPOs) for the provision of medical benefits required under this chapter. Under this arrangement, the insurer will also be required to coordinate these benefits with other benefits required under this chapter to avoid duplication of both coverage and costs.

This bill, as amended, allows consumers to choose an optional pain and suffering first-party insurance in limits from \$25,000 to \$250,000 to cover accidental harm resulting in loss of life; permanent and serious impairment of body functions; or permanent and serious disfigurement. Subject to the approval of the insurance commissioner, no-fault insurers may also offer this coverage for all other types of injuries.

Coverage for no-fault benefits are in amounts ranging from a minimum of \$250,000 to a maximum of \$1,000,000, in increments approved by the insurance commissioner and as selected by the insured. The insurer may offer additional limits in excess of \$1,000,000 to cover those benefits. The \$250,000 amount is intended to cover ninety-nine per cent of personal protection insurance benefits claims, and is to be adjusted annually by the insurance commissioner. Coverage for earnings loss is up to a maximum of \$45,000.

Your Committee has amended this bill further to increase the roll back in rates to forty-five per cent which shall occur one-hundred-twenty days after the effective date of the bill. Your Committee finds that the revisions of the law on motor vehicle insurance in this bill will greatly reduce the cost of motor vehicle insurance in Hawaii. The Legislature has reviewed the facts. The effective implementation of this bill should reduce costs by more than fifty per cent. Thus, your Committee finds that a forty-five per cent roll back in rates is neither illusory nor confiscatory.

Your Committee has further amended this bill by requiring similar no-fault benefit coverages for motorcycles and motor scooters. Your Committee is cognizant of the risk of injury to riders and passengers of motorcycles and motor scooters and has provided them with similar required and optional coverages for their protection.

In considering the bill as amended, your Committee was aware of the constitutionality issue which must be considered in any legislation which restricts or eliminates tort remedies. Your Committee finds, however, that all of the laws that prohibit automobile accident victims from recovering in tort have been upheld when the subject laws included appropriate provisions for "an adequate substitute for," or "a reasonable alternative to," recovery for damages in tort. While the grounds for these cases are varied, all of the courts have held that the Legislature is constitutionally empowered to eliminate the traditional right of the injured party to seek damages for pain and suffering in tort against the alleged tortfeasor in those instances where serious injuries are not sustained, or where the injured party is guaranteed some recovery for economic losses from their insurers.

To your Committee's knowledge, this bill, as amended, provides for the first "pure no-fault" system in the country. Your Committee hopes that Hawaii's experience with pure no-fault will be a success and will serve as a model for other states which continue to struggle with this issue.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1762, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1762, S.D. 1, H.D. 1, C.D. 1.

Representatives Menor, Tom, Say, Cachola, Yamane and Ward,
Managers on the part of the House.

Senators Ikeda, Holt and Liu,
Managers on the part of the Senate.

Conf. Com. Rep. 138 on S.B. No. 1804

The purpose of this bill is to prevent vacated positions in certain programs and certain administrative positions from being frozen or eliminated in accordance with the early retirement incentive law.

Specifically, this bill exempts (1) vacated positions in the Hawaii state hospital, in community hospital and correctional facilities, in programs that are funded entirely with federal moneys, and in the Hawaii housing authority that are funded entirely from special funds; and (2) vacated (administrative) positions whose salaries are set forth in sections 26-52, 26-53, and 26-54, Hawaii Revised Statutes, from the early retirement incentive law (Act 212, Session Laws of Hawaii 1994).

In addition, this bill (1) requires the Governor to appoint a commission to explore, with respect to the Hawaii public employees' health fund, different funding, eligibility requirements, and benefit structures, and the actuarial effect of these alternatives; and (2) appropriates \$100,000 out of the health fund for the office of the Governor to carry out the purposes of the commission, including the hiring of necessary staff.

Your Committee finds that Act 212, Session Laws of Hawaii 1994:

- (1) Allows thirty per cent of the positions vacated in each department to be refilled by the head of the department to ensure the continued ability of the department to carry out its public purpose;
- (2) Requires thirty per cent of the positions vacated in each department to be held vacant for fiscal year 1995-1996 and assigned to a statewide personnel pool until June 30, 1996; and
- (3) Requires forty per cent of the positions vacated in each department to be eliminated.

Your Committee also finds that:

- (1) The refilling of vacated positions in the Hawaii state hospital and correctional facilities is in the public interest and for the public health, safety, and general welfare of the State;
- (2) The freezing or elimination of vacated positions in programs that are funded entirely with federal moneys serves no useful public purpose since the savings generated by these positions do not accrue to the general fund;
- (3) The freezing or elimination of vacated positions in the Hawaii housing authority that are funded entirely from special funds may thwart the State's attempts to increase the availability of low-income housing units, and serves no useful public purpose since the savings do not accrue to the general fund; and
- (4) The refilling of vacated positions occupied by department heads, executive officers, deputies or assistants to department heads, the Administrative Director of the State, the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs, and the Chief Negotiator for the Office of Collective Bargaining, is necessary to ensure the continued ability of state government to carry out its public purpose.

Your Committee has amended this bill by:

- (1) Removing community hospitals from the list of programs that are being exempted from the early retirement incentive law;
- (2) Adding the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs and the Chief Negotiator for the Office of Collective Bargaining to the list of positions that are being exempted from the early retirement incentive law;
- (3) Deleting the provisions relating to the commission on the Hawaii public employees' health fund;
- (4) Adding a provision to create the position of deputy director for behavioral health in the Department of Health;
- (5) Changing its effective date to July 1, 1995; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee on Conference is in accord with the intent and purpose of S.B. No. 1804, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1804, S.D. 1, H.D. 2, C.D. 1.

Representatives Yonamine, Say, Nakasone, Suzuki and Ward,
Managers on the part of the House.

Senators Ikeda, Kanno, Solomon, Taniguchi and Anderson,
Managers on the part of the Senate.

Conf. Com. Rep. 139 on S.C.R. No. 237

The purpose of this Concurrent Resolution is to request the Governor to direct the Ala Wai Watershed Advisory Committee, the Mamala Bay Commission, and the Kuhio Stormdrain Project to make a study of the water quality in the Waikiki beach waters to identify bacterial contamination and to recommend appropriate strategies.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the Mamala Bay Commission and the Kuhio Stormdrain Project from studying the concerns related to the water quality of Waikiki area beach waters;
- (2) Requesting the Director of Health instead of the Governor to direct the Ala Wai Watershed Advisory Committee to study the concerns relating to the beach waters of the Waikiki area;
- (3) Requesting the Director of Health to appoint to the Ala Wai Watershed Advisory Committee members which include, but are not limited to, representatives from appropriate state, city, and federal agencies, the University of Hawaii, community organizations, and the Waikiki area legislators; and
- (4) Changing the title of the Concurrent Resolution to reflect the foregoing changes.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 237, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 237, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Meyer, Santiago and Tarnas,
Managers on the part of the House.

Senators Tam, Aki and Levin,
Managers on the part of the Senate.

Conf. Com. Rep. 140 on S.C.R. No. 246

The purpose of this Concurrent Resolution is to protect the public health by providing adequate financial support for the Department of Health's Safe Drinking Water Branch and its water testing and monitoring programs.

Upon further consideration and discussion, your Committee has amended this Concurrent Resolution by using the Senate version rather than the House version. The Senate version supports the study of the need for more stringent water quality testing of drinking water and groundwater in the State.

Your Committee on Conference is in accord with the intent and purpose of S.C.R. No. 246, S.D. 1, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 246, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Meyer, Tarnas and Santiago,
Managers on the part of the House.

Senators Tam, Aki and Chumbley,
Managers on the part of the Senate.

SPECIAL COMMITTEE REPORT**Spec. Com. Rep. 1**

Your Committee on Credentials begs leave to report that it has thoroughly considered the matter of the seating of the members-elect of the House of Representatives of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1995, and finds that the following members-elect are duly qualified to sit as members of the House of Representatives, to wit:

FIRST DISTRICT:	Dwight Y. Takamine
SECOND DISTRICT:	Jerry L. Chang
THIRD DISTRICT:	Eric G. Hamakawa
FOURTH DISTRICT:	Robert N. Herkes
FIFTH DISTRICT:	Virginia Isbell
SIXTH DISTRICT:	David A. Tarnas
SEVENTH DISTRICT:	Michael B. White
EIGHTH DISTRICT:	Joseph M. Souki
NINTH DISTRICT:	Bob Nakasone
TENTH DISTRICT:	David Morihara
ELEVENTH DISTRICT:	Chris Halford
TWELFTH DISTRICT:	Billy K. Swain
THIRTEENTH DISTRICT:	Ezra R. Kanoho
FOURTEENTH DISTRICT:	Bertha C. Kawakami
FIFTEENTH DISTRICT:	David D. Stegmaier
SIXTEENTH DISTRICT:	Gene Ward
SEVENTEENTH DISTRICT:	Barbara Marumoto
EIGHTEENTH DISTRICT:	Calvin K.Y. Say
NINETEENTH DISTRICT:	Brian Y. Yamane
TWENTIETH DISTRICT:	Scott K. Saiki
TWENTY-FIRST DISTRICT:	Mary-Jane McMurdo
TWENTY-SECOND DISTRICT:	Terry Nui Yoshinaga
TWENTY-THIRD DISTRICT:	Ed Case
TWENTY-FOURTH DISTRICT:	Jim Shon
TWENTY-FIFTH DISTRICT:	Kenneth T. Hiraki
TWENTY-SIXTH DISTRICT:	Quentin K. Kawanakoa
TWENTY-SEVENTH DISTRICT:	Suzanne N.J. Chun Oakland
TWENTY-EIGHTH DISTRICT:	Dennis A. Arakaki
TWENTY-NINTH DISTRICT:	Emilio S. Alcon
THIRTIETH DISTRICT:	Romy M. Cachola
THIRTY-FIRST DISTRICT:	Nathan Suzuki
THIRTY-SECOND DISTRICT:	Lennard J. Pepper
THIRTY-THIRD DISTRICT:	Tom Okamura

THIRTY-FOURTH DISTRICT:	K. Mark Takai
THIRTY-FIFTH DISTRICT:	Noboru Yonamine
THIRTY-SIXTH DISTRICT:	Roy M. Takumi
THIRTY-SEVENTH DISTRICT:	Nestor R. Garcia
THIRTY-EIGHTH DISTRICT:	Sam Lee
THIRTY-NINTH DISTRICT:	Ron Menor
FORTIETH DISTRICT:	Marcus R. Oshiro
FORTY-FIRST DISTRICT:	Paul T. Oshiro
FORTY-SECOND DISTRICT:	Annelle C. Amaral
FORTY-THIRD DISTRICT:	Michael P. Kahikina
FORTY-FOURTH DISTRICT:	Merwyn Seichi Jones
FORTY-FIFTH DISTRICT:	Alexander C. Santiago
FORTY-SIXTH DISTRICT:	Colleen Meyer
FORTY-SEVENTH DISTRICT:	Terrance W.H. Tom
FORTY-EIGHTH DISTRICT:	Ken Ito
FORTY-NINTH DISTRICT:	Cynthia Thielen
FIFTIETH DISTRICT:	Devon M.T. Nekoba
FIFTY-FIRST DISTRICT:	Eve G. Anderson

Signed by all members of the Committee.