

**SCRep. 1177 Water and Land Use on S.B. No. 1080**

The purpose of this bill is to continue to give responsibility for review and approval of special management area and shoreline setback permits to the Office of Planning of the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this bill from the Hawaii Community Development Authority, and comments on the bill from the Office of Planning of the Department of Business, Economic Development, and Tourism.

Your Committee finds that the majority of the Kakaako waterfront is owned by the state and has great potential for recreational, educational, commercial and other uses, and that the Office of Planning has already played a significant role in the development of the Kakaako waterfront.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1080 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Thielen.

**SCRep. 1178 Water and Land Use on S.B. No. 1082**

The purpose of this bill is to provide for more efficient operation by the Bureau of Conveyances (bureau) by replacing the Bureau of Conveyances equipment modernization special fund with the Bureau of Conveyances special fund, provide for deposit of a portion of recordation fees into the general fund, and the remainder of recordation fees and other fees into the special fund, and authorize the bureau to pay for personnel, equipment and improvements necessary for modernization of the recording system.

Your Committee received testimony as follows:

1. Board of Land and Natural Resources, in support;
2. Hawaii Association of Realtors, in opposition; and
3. Tax Foundation of Hawaii, offering comment.

Your Committee finds that an income stream from existing fees will give the Bureau of Conveyances a greater level of self-sufficiency and will enable the funding of needed modernization of the land recordation system. The current fiscal condition of the state, however, requires that the general fund receive \$23 of the \$25 recordation fee.

Your Committee revised the bill by:

1. Providing that the general fund receive \$23 for each document recorded at the bureau;
2. Adding provisions for the bureau to change the fees charged for microfilm duplication and removing reference to deposit into the general fund;
3. Removing the provisions for deposit of conveyance taxes into the bureau special fund;
4. Changing the appropriation amount to \$1.9 million;
5. Changing the effective date to June 29, 1999 for the establishment of the bureau special fund and the transfer of funds from the bureau equipment modernization special fund to the bureau special fund; and
6. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Thielen.

**SCRep. 1179 Water and Land Use on S.B. No. 1097**

The purpose of this bill is to improve management of forest resources by providing for deposit into the forest stewardship fund of revenue from harvest of non-native forest products and sale of tree seedlings from state nurseries, and allow use of the fund for forest management purposes and development of educational and training programs.

Your Committee received testimony in support of this bill from the Board of Agriculture, Board of Land and Natural Resources, Department of Hawaiian Home Lands, Hawaii Forest Industry Association, Hawaii Society of American Foresters, C.A.M. Resource Management, Big Island Farm Bureau and Sierra Club Hawaii Chapter.

Your Committee finds that forestry is one of the fastest growing segments of diversified agriculture. In addition, many of our native plants are displaced by non-native species and some forest areas are cluttered by dead native trees blown down by storms. Harvest of these products will not only help to alleviate the burdens on the understaffed forest reserve management personnel, but will expand the sources of income for the forest stewardship program and give it greater self-sufficiency.

Your Committee revised the bill by:

1. Providing for deposit into the forest stewardship special fund of the proceeds from the harvest of native forest products from forest reserves, if found dead and lying on the ground; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1097, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1097, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Thielen.

**SCRep. 1180 Water and Land Use on S.B. No. 1098**

The purpose of this bill is to correct erroneous or outdated references in the State Water Code.

Your Committee received testimony in support of this bill from the Board of Land and Natural Resources and the Land Use Research Foundation.

Your Committee finds that the bill makes corrections that will conform the law to the mandate giving the Water Resource Management Commission exclusive jurisdiction over the State Water Code, and amending other inconsistencies.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1098 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Takumi and Thielen.

**SCRep. 1181 Education and Health on S.B. No. 1269**

The purpose of this bill is to make an emergency appropriation to the Department of Education for additional personnel and other operating costs required to fulfill the conditions of the Felix consent decree and prevent the reduction or discontinuance of essential student services.

Your Committees find that failure to support the implementation of the Felix action plan and fulfill the conditions of the consent decree could result in severe fines and other draconian, court-imposed sanctions being levied on the Department of Education.

Your Committees received testimony in support of this bill from the Department of Education and the Hawaii State Teachers Association.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1269, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Yamane, Lee, Morihara, Okamura and McDermott.

**SCRep. 1182 Labor and Public Employment on S.B. No. 1475**

The purpose of this bill is to improve the efficiency of the School-to-Work Opportunities Pilot Project (Project) by:

- (1) Transferring administrative control of the Project from the Hawaii School-to-Work Opportunities Executive Council (Council) to the Department of Education (DOE);

- (2) Making the Council an advisory body to the Board of Education (BOE) and the DOE;
- (3) Deleting the requirement that members of the Council be nominated and appointed by the Governor, with the advice and consent of the Senate, per section 26-34, Hawaii Revised Statutes;
- (4) Removing the Council's power to appoint the executive director and staff of the Project and to adopt rules; and
- (5) Allowing the Superintendent of Education to appoint the Project's executive director and allow the DOE to employ the Project's staff.

The School-to-Work Executive Council, the Department of Labor and Industrial Relations, and the Department of Education testified in support of the intent of this bill, but preferred H.B. 522, H.D. 3. The Hawaii Teachers Association testified in support of the intent of this bill. The University of Hawaii submitted comments on this bill. In its written testimony, the Chamber of Commerce of Hawaii (Chamber) commented on this bill. In oral testimony, the Chamber noted that it preferred H.B. 522, H.D. 3.

Your Committee finds that the Project has provided a valuable service to our community by:

- (1) Preparing students for productive employment;
- (2) Diversifying their learning; and
- (3) Promoting responsible citizenship.

In addition, the Project has been vital in creating partnerships between businesses and educators for the creation of internships, mentoring ventures, and other opportunities for Hawaii's youth. Finally, the Project enables Hawaii's youth to gain the practical experience that will help them to become productive members of the State's workforce.

Your Committee notes that a similar bill, H.B. 522, H.D. 3, passed out of the House of Representatives earlier this session after public hearings before this Committee, the Committee on Education, and the Committee on Finance.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. 522, H.D. 3. As amended, this bill:

- (1) Retains the independence and authority of the Council, by not transforming it into an advisory body;
- (2) Allows the DOE to hire the Project's executive director; and
- (3) Takes effect July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1475, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1475, S.D. 1, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Hiraki, Okamura and Moses.

**SCRep. 1183                      Labor and Public Employment on S.B. No. 1275**

The purpose of this bill is to expand the civil service exemption to Department of Education (DOE) employees who supervise students during meal periods in the distribution, collection, and counting of meal tickets.

The Department of Education testified in support of this bill.

Your Committee finds that this bill will help the DOE comply with the United States Department of Agriculture's AccuClaim Regulation which requires that there be:

- (1) No overt identification of students receiving free or reduced-price meals; and
- (2) Accurate accountability of all meals claimed for federal reimbursement.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1275, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1275, S.D. 1, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Hiraki, Okamura and Moses.

**SCRep. 1184                      Labor and Public Employment on S.B. No. 1102**

The purpose of this bill is to transfer the financial responsibility of annually auditing the Public Employees' Health Fund (Health Fund) from the Comptroller to the Health Fund.

The Department of Accounting and General Services testified in support of this bill.

As the annual audit benefits only the Health Fund, your Committee finds that it is appropriate that audit costs be borne by the Health Fund.

Your Committee has amended this bill to make technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1102, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1102, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Okamura, Takai and Moses.

**SCRep. 1185                      Labor and Public Employment on S.B. No. 1284**

The purpose of this bill is to provide fund authorizations and appropriations for collective bargaining cost items for Units 1, 2, 3, 4, 6, 8, 9, 10, and 13, and their excluded counterparts, as well as other cost adjustments negotiated between the State and the respective bargaining unit representatives.

The Office of Collective Bargaining, the United Public Workers, the Hawaii Government Employees Association, the Hawaii State Teachers Association, and a member of the public testified in support of this bill. The Department of Budget and Finance, the Hawaii Health Systems Corporation, and the Ombudsman commented on this bill.

Your Committee finds that the negotiated agreements reached by the State and government employees' bargaining unit representatives should be funded by the Legislature.

Your Committee notes that a similar bill, H.B. 1038, H.D. 1, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

Upon further consideration, your Committee has amended this bill to reflect the provisions found in H.B. No. 1038, H.D. 1, by:

- (1) Changing the appropriation amounts to \$1 for the purpose of continued discussion; and
- (2) Inserting an appropriation for employees of legislative service agencies;
- (3) Deleting the appropriation for Hawaii Health Systems Corporation employees; and
- (4) Making other technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Okamura, Takai and Moses.  
(Representative Rath voted no.)

**SCRep. 1186                      Labor and Public Employment on S.B. No. 1470**

The purpose of this bill is to appropriate funds for:

- (1) The Office of the Legislative Auditor;
- (2) The Ethics Commission;
- (3) The Legislative Reference Bureau; and
- (4) The Ombudsman;



to pay for salary increases and other cost adjustments for officers and employees of the Legislature who are excluded from collective bargaining.

The Ombudsman and the State Auditor testified in support of this bill.

Your Committee finds that this bill brings the salaries for certain excluded legislative officers and employees to parity with other state employees in collective bargaining units 3, 4, and 13.

Your Committee has amended this bill to make technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1470, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Okamura, Takai and Moses.  
(Representative Rath voted no.)

**SCRep. 1187                      Education on S.B. No. 1157**

The purpose of this bill is to provide more authority to the Board of Education (BOE) in the recruitment and retention of the State Librarian by:

- (1) Authorizing a term of up to four years;
- (2) Removing the salary cap until July 1, 2004, when the salary shall be set by the Legislature; and
- (3) Deleting the residency requirement.

Testimony in support of the bill was submitted by the Board of Education and an individual.

Your Committee finds that this bill will make the appointment of the State Librarian more consistent with the appointment of the Superintendent of Education, who is also appointed by the BOE.

Allowing the BOE to appoint the State Librarian for a term of up to four years is intended to provide stability and encourage the State Librarian to take a long-range perspective in managing the Library System.

Authorizing the BOE to set the State Librarian's salary is intended to ensure that, when it is time to recruit a new State Librarian, the pool of candidates consists of individuals who are sufficiently qualified. However, the Legislature continues to have oversight responsibilities, and the five-year sunset on the removal of the salary cap is intended to allow the BOE to demonstrate that it will proceed responsibly in setting the State Librarian's salary.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1157, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 1188                      Education on S.B. No. 1638**

The purpose of this bill is to require the Department of Education and the exclusive representative for bargaining unit 6 to conduct a study on the issue of compensational parity for educational officers of the Department of Education.

Specifically, this bill requires:

- (1) A review of the educational officer classification/ compensation plan and position descriptions;
- (2) An examination of the compensational parity implications of the movement of a teacher from the teacher salary schedule to the educational officer's salary schedule;
- (3) An assessment of whether implementing a salary classification system for educational officers similar to the teacher salary classification system is appropriate;
- (4) An assessment of whether educational officers should be similarly compensated for continuing educational achievement in the same manner that teachers who earn additional educational credits are compensated;

- (5) Recommendations for addressing the issue of providing compensational parity between long-time educational officers and newly-hired educational officers who have transferred over from high-level teaching positions;
- (6) A review and evaluation of the classification and compensation schedules of adult education educational officers as to whether they are appropriately compensated when compared to K-12 educational officers; and
- (7) The Department of Education and the exclusive representative for bargaining unit 6 to submit their report, findings, and recommendations, and any necessary draft legislation to the Legislature before the Regular Session of 2000.

Your Committee received testimony in support of this bill from the Department of Education and the Hawaii Government Employees Association--the exclusive representative for bargaining unit 6.

Your Committee finds that the issue of compensational parity for educational officers should be addressed through the collective bargaining process to the maximum extent allowed by law. Those matters that cannot be resolved to the mutual satisfaction of the Department of Education and the exclusive representative for bargaining unit 6 can then be presented to the Legislature and the Governor for final resolution outside the scope of the collective bargaining law.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

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

**SCRep. 1189                      Education and Public Safety and Military Affairs on S.B. No. 536**

The purpose of this bill is to allow state agency heads to purchase computer and communication systems with proceeds from the sale of general obligation bonds.

The Department of Education (DOE) testified in support of the bill. DOE testified that acquisition of current and robust technology is critical to engage students in projects that encourage skill development well beyond word processing, spreadsheets, and databases.

The Department of Budget and Finance testified in opposition to the bill, expressing concerns that using general obligation bonds to finance equipment purchases would adversely impact the State's credit rating, as well as impair the State's ability to finance any new or existing statewide capital improvement projects.

Your Committees find that while the purchasing of computers and communication systems can be an expensive undertaking for State agencies, these systems are vital if Hawaii is to keep up with technological advances in managing public safety database systems, networking with other agencies and states, and education.

Your Committees have decided to advance this bill to the Committee on Finance for purposes of further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 536, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura and Arakaki.

**SCRep. 1190                      Ocean Recreation and Marine Resources on S.B. No. 1091**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to clarify and consolidate the penalty provisions related to aquatic resources under subtitle 5 of title 12, of the Hawaii Revised Statutes (HRS), by:

- (1) Establishing minimum fines for chapters 187A, 188, 189, and 190, HRS; and
- (3) Increasing the classification to a class C felony for the criminal offense of using poisons, explosives, and electrofishing devices.

DLNR and the Hawaii Audubon Society testified in support of this measure. The University of Hawaii's Environmental Center submitted recommendations.

Your Committee has amended the measure by:

- (1) Designating DLNR as the lead state agency for preventing the introduction and for carrying out the destruction of alien aquatic organisms;
- (2) Allowing DLNR to adopt rules to include standards for inspection protocols;

- (3) Authorizing the Governor to enter into agreements with the United States Secretary of Transportation to coordinate federal and state efforts in preventing the introduction of aquatic alien organism in Hawaiian waters;
- (4) Allowing DLNR to form a rapid response team to evaluate the arrival or pending arrival of vessels that qualify as high risk and recommend an appropriate course of action;
- (5) Inserting language that each specimen of aquatic life taken, killed, or injured may constitute a separate offense subject to minimum fines;
- (6) Providing for the seizure and forfeiture of property when used in the commission, or conspiracy to commit, a violation of subtitle 5 of title 12;
- (7) Deleting the savings clause; and
- (8) Making technical, non-substantive changes for the purposes of style and clarity.

In the past, DLNR has experienced difficulty in stressing to the courts the need to protect our State's natural resources and that more substantial penalties are required to enforce state regulations. This measure would aid DLNR in its enforcement of laws impacting our aquatic resources, by consolidating and refining the penalties.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1091, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1091, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 1191 Ocean Recreation and Marine Resources and Transportation on S.B. No. 425**

The purpose of this bill is to amend various fees charged by state agencies for governmental services by:

- (1) Establishing the license and duplicate license fees for freshwater game fishing at \$5;
- (2) Establishing moorage fees;
- (3) Establishing fees for after-school and weekend programs;
- (4) Requiring that one-half of the financial support for adult and community education programs shall come from students and the other half shall come from public funds; and
- (5) Allowing towing companies to collect \$25 for road clean-ups they perform if there is an agreement with the county.

Testimony in support of this bill was submitted by the Hawaii State Towing Association.

The Department of Commerce and Consumer Affairs submitted amendments relating to the towing provisions of the bill. The State Attorney General's Office offered amendments to allow departments to use the administrative rulemaking process to change fees set by statute.

The Department of Land and Natural Resources opposed the provisions relating to freshwater fishing licenses and mooring fees for boating facilities.

The Superintendent of Education submitted testimony in opposition to the adult and community education provision of the bill. The Department of the Corporation Counsel, City and County of Honolulu, expressed concerns over the same provision.

Your Committees have amended provisions within this bill relating only to OMR and TRN jurisdictions. The amendments include:

- (1) Deleting the provision concerning licenses for freshwater game fishing;
- (2) Deleting the provision concerning moorage fees;
- (3) Reducing the amount that towing companies may collect for clean-up from \$25 to \$15;
- (4) Clarifying certain issues relating to collateral charges;

- (5) Deleting the provision amending Act 138, Session Laws of Hawaii 1998; and
- (6) Inserting language which allows departments to use the administrative rulemaking process to change fees set by statute.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 425, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 3, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committees except Representatives Okamura, Yoshinaga, Auwae, Meyer and Moses.

**SCRep. 1192                      Health on S.B. No. 613**

The purpose of this bill is to promote and preserve the health of Hawaii's children and to protect them from the effects of tobacco use.

Specifically, this bill creates a statewide licensure mechanism for retail tobacco sales that provides for licensing retail tobacco vendors, inspections and enforcement, adjudication of fines and penalties, training and education for retail merchants, and public awareness of the State's law governing the sale of tobacco to minors.

Your Committee received testimony in support of this bill from the American Lung Association of Hawaii and Coalition for a Tobacco Free Hawaii and opposing testimony from the Hawaii Food Industry Association, the Retail Liquor Dealers Association, the Retail Gasoline Dealers Association, and the Legislative Information Services of Hawaii.

Your Committee finds that about ninety per cent of smokers begin smoking before age eighteen and that minors are beginning to experiment with tobacco use at younger ages than ever before. Your Committee further finds that reducing youth access to tobacco products is an instrumental component in reducing the number of minors who smoke cigarettes or use tobacco products, and that the compliance of merchants is of utmost importance.

Your Committee wishes to point out that the various concerns expressed by testifiers should be dealt with in the Committee on Consumer Protection and Commerce.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 613, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.  
(Representative McDermott voted no.)

**SCRep. 1193                      Health on S.B. No. 844**

The purpose of this bill is to end discrimination in health insurance against persons with mental illness by enacting a parity law which mandates equitable insurance coverage for mental illness and all other medical illnesses.

The Department of Health, The Hawaii Medical Association, the Mental Health Association in Hawaii, the Hawaii Psychological Association, United Self-Help, the Hawaii Substance Abuse Coalition, The Hawaii State Alliance for the Mentally Ill, the Hawaii Psychiatric Medical Association, and six individuals testified in support of this measure. The Hawaii Medical Service Association, Kaiser Permanente, the National Federation of Independent Business, and the Legislative Information Services of Hawaii opposed this bill. The Department of Commerce and Consumer Affairs offered comments.

Your Committee has amended this bill by deleting its substance and inserting therefor, the substance of H.B. No. 320, a similar measure, passed out of your Committee in an unamended form on February 9, 1999.

Your Committee has further amended the bill by:

- (1) Specifying that it is the patient's health care providers who are best qualified to determine the patient's medical needs; and
- (2) Establishing a Hawaii Equal Insurance Task Force, to be convened four years after enactment of this bill, to study the financial and social implications of mandated equal mental health and substance abuse insurance coverage in Hawaii.

While there is a need to require equal insurance coverage for mental illness and other medical illnesses, your Committee also recognizes the need to closely examine the financial implications of this legislation through a cost-benefit analysis.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 844, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1194                      Health on S.B. No. 851**

The purpose of this bill is to implement two of the seven recommendations made by the Governor's Blue Ribbon Panel on Living and Dying with Dignity. These two recommendations regarding hospice care, are as follows:

- (1) Make the Medicare per diem rate, the current rate set by the Health Care Financing Administration, the base rate for hospice care, and to reimburse room and board expenses of hospice facilities; and
- (2) Make hospice referral visits a reimbursable benefit, regardless of whether the patient is eventually admitted to a hospice or not.

The Executive Office on Aging and Hospice Hawaii testified in support of this bill.

Upon consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 172, H.D. 1, a bill passed out of your Committee earlier this session. Your Committee also further amended this bill by making technical, nonsubstantive amendments for clarity. As amended, this bill:

- (1) Authorizes the Department of Health to license hospice service agencies; and
- (2) Allows hospice homes with five or fewer beds in residential areas.

Your Committee recognizes that the deletion of the reimbursement provisions bear fiscal implications on hospice care. It is the intent of your Committee that subsequent House committees consider these implications. It is also your Committee's belief that greater outreach and educational services need to be provided to the community to educate them about hospice, particularly that hospice is a strictly voluntary option, regardless of the recommendations of physicians.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1195                      Health on S.B. No. 860**

The purpose of this bill is to include marriage and family therapists (MFTs) as providers of the mental health, alcohol, and drug abuse services coverage mandated under chapter 431M, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Health, the Hawai'i Chapter of the American Psychiatric Nurses Association, and many concerned individuals. The Hawaii Psychological Association (HPA) and Hawaii Biodyne provided testimony in opposition to the bill, questioning the ability of MFTs to provide competent mental health and substance abuse treatment services.

Your Committee heard testimony that many couples and families suffering from drug and alcohol abuse, marital, parenting, domestic violence, workplace, and other problems, are unable to afford the necessary services of MFTs because these services are not covered by health insurance. Your Committee also heard testimony that including MFTs as providers of mandated mental health, alcohol, and drug abuse services would reduce costs by providing the option of MFT services where more expensive psychiatric or other specialty treatment is not necessary. In addition, this bill would allow the Department of Education the option of using insurance reimbursable services of MFTs to satisfy the requirements of the Felix Consent Decree.

In partial response to the concerns of the HPA and Hawaii Biodyne, your Committee notes that chapter 431M makes provision for peer review of mandated benefits, and requires that covered benefits be limited to services certified as medically or psychologically necessary at the least restrictive appropriate level of care.

Your Committee believes that further discussion of this measure would be beneficial, and has replaced its contents with that of H.B. No. 327, a bill with similar provisions that passed out of your Committee earlier in this session. Your

Committee has also made technical, nonsubstantive amendments to the definition of "partial hospitalization services" for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 860, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1196 Health on S.B. No. 1032**

The purpose of this bill is to provide medical assistance to psychiatric patients while protecting their rights by requiring the Department of Health to establish a three year program, including:

- (1) Establishing by rule an administrative process to allow involuntary medication of psychiatric patients institutionalized at the Hawaii State Hospital;
- (2) Providing persons with counsel for involuntary hospitalization proceedings; and
- (3) Requiring yearly reports to the legislature

The Mental Health Association in Hawaii and the Hawaii Medical Association testified in support of this measure. The Attorney General, Hawaii Psychological Association, NAMI Oahu, United Self-Help and State Council on Mental Health, and an individual commented on this measure. The Department of Health, Protection and Advocacy Agency of Hawaii, the Office of the Public Defender, and several individuals testified in opposition to this measure.

Your Committee has amended this measure by deleting its substance and inserting language from H.B. No. 1150, H.D. 1, a similar bill in general purpose and intent, which was earlier passed out of Your Committee. Among other things, as amended, this measure:

- (1) Makes permanent the rules for involuntary medication of psychiatric patients;
- (2) Does not provide counsel for involuntary hospitalization proceedings; and
- (3) Does not require yearly reports to the Legislature.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1032, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1032, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1197 Health on S.B. No. 1128**

The purpose of this bill is to increase fines for insurance code violations, conforming disclosure requirements for mutual benefit societies and health maintenance organizations, and require fraternal benefit societies to be licensed in accordance with insurance code requirements for solicitors.

Furthermore, this measure provides a limited savings clause for violations of the insurance code that occur before the effective date of the Act.

Your Committee has amended this measure by deleting its contents and replacing it with the contents of H.B. No. 1066, H.D. 1. As amended, this measure is, for all practical purposes, identical to the version of the bill as received, but without the savings clause, and a few other minor, grammatical differences.

Your Committee finds that increased penalties are appropriate and clarifying amendments are needed regarding the licensing of fraternal benefit society agents.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1128, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1198 Health on S.B. No. 1130**

The purpose of this bill is to require health maintenance organizations to file quarterly reports with the Insurance Commissioner; and to impose penalties and other administrative sanctions on health maintenance organizations that fail to renew their certificates of authority in a timely manner.

Your Committee finds that quarterly reporting and the timely renewal of certificates of authority can help the Insurance Commissioner to more effectively monitor the financial solvency of health maintenance organizations. With more and more employers turning to health maintenance organizations as a means of controlling or reducing health care costs, everything possible must be done to ensure the continued solvency of health maintenance organizations.

Your Committee has amended this bill by replacing its contents with the contents of House Bill No. 1068, H.D. 1, the purpose of which is identical to Senate Bill No. 1130, S.D. 1. While the text of the House and Senate versions of these bills are nearly identical, your Committee notes that the House version specifically requires the monetary penalties imposed on delinquent health maintenance organizations to be remitted by the Insurance Commissioner to the Director of Finance and placed to the credit of the general fund.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1199                      Health and Human Services and Housing on S.B. No. 1036**

The purpose of this bill is to:

- (1) Consolidate the Hawaii State Coordinating Council on Deafness, the Commission on Persons with Disabilities, and the Architectural Access Committee by establishing the Disability and Communication Access Board; and
- (2) Create the Developmental Disabilities Special Fund (Special Fund);
- (3) Require the Department of Health (DOH) to administer supported living stipends for persons with developmental disabilities or mental retardation (DD/MR);
- (4) Appropriate funds for increased home and community based services for persons with DD/MR; and
- (5) Require the Legislative Auditor to conduct an independent financial evaluation of case management services provided by DOH and to report to the Legislature prior to the 2000 Regular Session.

The Department of Transportation testified in support of this bill. DOH, the Department of Human Services, the Architectural Access Committee, the Hawaii State Coordination Council on Deafness, the State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Arc of Kauai, and the Arc in Hawaii commented on this bill.

Upon consideration, your Committees have amended this bill by:

- (1) Deleting:
  - (a) The establishment of the Special Fund;
  - (b) The requirement that DOH administer stipends for persons with DD/MR;
  - (c) The appropriation of funds for increased home and community based services for persons with DD/MR; and
  - (d) The requirement of an independent financial evaluation of case management services by the Legislative Auditor; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1036, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1036, S.D. 3, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committees except Representatives Yamane, Stegmaier, McDermott and Pendleton.

**SCRep. 1200 Health and Education on S.B. No. 1033**

The purpose of this measure is to make an emergency appropriation for the Child and Adolescent Mental Health Division of the Department of Health to aide in meeting the State's obligation to provide appropriate services to certain emotionally disturbed children and adolescents.

The Department of Health testified in strong support of the measure.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1033, S.D. 1 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Yamane, Lee, Morihara, Okamura and McDermott.

**SCRep. 1201 Health on S.B. No. 1231**

The purpose of this bill is to provide increased protections for employees against exposure to environmental tobacco smoke at the workplace.

This bill:

- (1) Prohibits smoking in all enclosed areas of private workplaces that employ two or more persons and state-owned or state-controlled workplaces;
- (2) Authorizes an employer to make provisions for employees to smoke in a designated area of the workplace as long as nonsmoking employees are not directly impacted;
- (3) Provides that for employees subject to collective bargaining, any provision to allow smoking in a designated area of the workplace shall be a negotiable item; and
- (4) Exempts dining areas of restaurants and bars, meeting or banquet rooms when used for private functions, convention center facilities when used for private functions, or guest rooms of a hotel or hotel-condominium.

The Hawaii Medical Service Association, the Hawaii Medical Association, and the United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this measure, and the Coalition for a Tobacco Free Hawaii supported the intent of this bill. The American Lung Association of Hawaii preferred the Senate Draft 2 version of this bill. The American Heart Association offered comments, and the Department of Health opposed this bill.

Your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 297, H.D. 2. Your Committee notes that H.B. No. 297, H.D. 2, passed out of the House Committee on Labor and Public Employment earlier this session. As amended, this bill prohibits smoking in all areas of state-owned or state-controlled workplaces, including state-owned or leased vehicles.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 3, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Yamane and Arakaki.  
(Representative McDermott voted no.)

**SCRep. 1202 Health on S.B. No. 1452**

The purpose of this bill is to strengthen consumer rights for patients in managed care plans and health maintenance organizations.

Your Committee finds that this measure implements the recommendations of the Patient Rights and Responsibilities Task Force (Task Force) to strengthen the Hawaii Patient bill of Rights and Responsibilities Act.

The twenty-member Task Force, representing various organizations and agencies with diverse views and interests, was established in 1998 to review various laws affecting patient rights in this State.

The Healthcare Association of Hawaii, the American Association of Retired Persons, the Hawaii Coalition for Health, the State Farm Insurance Companies, the Hawaii Medical Association, the Department of Commerce and Consumer Affairs, the Hawaii Health Information Corporation, the Queen's Health Management, Kaiser Permanente, and the Hawaii Federation of Physicians and Dentists testified in support of this bill. The Access to Services Subcommittee testified in support of this bill with amendments. The Hawaii Insurers Council (HIC) testified in opposition to this bill.



Upon further consideration, your Committee has amended this measure by deleting the substance, and inserting therefor, the substance of H.B. No. 1664, H.D. 3. Your Committee notes that H.B. 1664, H.D. 3, passed out of the House of Representatives earlier this session after public hearings before this Committee, the Committee on Consumer Protection and Commerce, and the Committee on Finance.

Your Committee acknowledges HIC's concerns with the amendments to the motor vehicle insurance statutes and respectfully requests the next committee, the Committee on Consumer Protection and Commerce, to address these concerns.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1452, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1203                    Health on S.B. No. 1609**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds for Wahiawa Central-Oahu Health Center, Inc., or its affiliate.

The Wahiawa Hospital Association, the Central Oahu Physician Hospital Organization, and the Chairperson of the Board of Directors of Wahiawa General Hospital submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting references to central Oahu;
- (2) Changing the amount of the bond issuance from \$13,100,000 to \$40,000,000; and
- (3) Changing the lapsing date of the bond issuance authorization from June 30, 2001, to June 30, 2003.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1609, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1609, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 1204                    Health on S.B. No. 1127**

The purpose of this bill is to assess the health insurance industry the costs incurred by the State in regulating the industry.

The bill also establishes a health insurance revolving fund and makes an appropriation therefrom for the purposes of this bill.

Your Committee finds that the costs of regulating the health insurance industry has been funded in the past by assessments made on other types of insurers. This bill will not only provide equity to non-health insurers but will also allow the insurance division to become more self-sufficient in its operations.

Your Committee has amended the bill by:

- (1) Replacing the "pro rata" method of assessing insurers with a "per private, nongovernment membership basis";
- (2) Reducing the annual assessment cap to \$500,000;
- (3) Requiring justification for any assessment increases;
- (4) Reducing the one-time assessment imposed on mutual benefit societies to \$500,000;
- (5) Repealing the proposed provision that assesses mutual benefit societies \$200,000 for reimbursement to the motor vehicle insurance revolving fund; and
- (6) Reducing the amounts appropriated from the health insurance revolving fund to \$500,000.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1127, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1205                    Health on S.B. No. 1136**

The purpose of this bill is to repeal the board of osteopathic examiners and transfer the function of that board to the board of medical examiners.

Your Committee finds that abolition of the board and transfer of its functions comports with past sunset reports of the Auditor. The Board of Osteopathy has historically had minimal activity and received few complaints. Additionally, the two fields, osteopathy and medicine, have converged in recent years, making regulation by one board logical and feasible. Your Committee notes that in its 1992 study, the Auditor found that twenty-one states used a single board to regulate both professions.

Your Committee has amended the bill by removing its contents and substituting the contents of H.B. No. 1074, H.D. 1. As amended, this bill is substantially identical to the one it replaces, with two exceptions: it adds two osteopaths to the board of medical examiners instead of four, and, in recognition that there is no delineation between osteopathic physicians and surgeons, the references to osteopathic surgeons have been deleted in the statutes.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Yamane and Arakaki.

**SCRep. 1206                      Health on S.B. No. 1608**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to fund the establishment of the following health care facilities in the State by not-for-profit corporations:

- (1) Pacific Women's Center, Inc.;
- (2) Pacific Saging Center, Inc., providing such activities as saging center, child care, adult care, mentoring programs, and activity centers;
- (3) Pacific Sports Medicine & Research Center, Inc.;
- (4) Pacific Cardiac Institute, Inc.; and
- (5) Pacific Wellness Center, Inc.

The Wahiawa Hospital Association, Wahiawa General Hospital, Central Oahu Physician Hospital Organization, and several concerned individuals submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting references to central Oahu;
- (2) Changing the lapsing date of bond authorization issuance from June 30, 2001, to June 30, 2003;
- (3) Increasing the amount for the Pacific Saging Center, Inc. from \$500,000 to \$10,000,000;
- (4) Increasing the amount for the Pacific Sports Medicine & Research Center, Inc., from \$20,000,000 to \$30,000,000;
- (5) Authorizing the issuance of special purpose revenue bonds for Pacific Community Health and Wellness, Inc., in the amount of \$500,000; and
- (6) Making technical amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1608, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1608, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Arakaki.

**SCRep. 1207                      Energy and Environmental Protection on S.B. No. 531**

The purpose of this bill is to reduce the use of herbicides in the maintenance of roadsides by:

- (1) Requiring state and county agencies responsible for roadside vegetation maintenance to develop and implement an integrated vegetation management program; and

- (2) Establishing a Roadside Vegetation Committee to, among other things, review roadside vegetation management practices and strategies.

The Department of Transportation (DOT), the Sierra Club, Hawaii Chapter, and the Advocacy Offices of David L. Bourgoin testified in support of this measure. The University of Hawaii Environmental Center supported the intent of this bill, and RESCUE Hawaii supported this measure with amendments. An individual offered comments, and Life of the Land expressed concerns.

Your Committee has amended this bill by:

- (1) Requiring the DOT, instead of all state and county agencies, to adopt an integrated vegetation management program, and authorizing appropriate county agencies to do the same;
- (2) Deleting provisions that specify the different methods of roadside maintenance that the program should utilize;
- (3) Simplifying the definition of "integrated vegetation management" and deleting the definition of "nonchemical methods";
- (4) Renaming the Roadside Vegetation Committee as the Roadside Integrated Vegetation Management Committee (Committee) and clarifying its duties;
- (5) Deleting a DOT representative as a required member of the Committee;
- (6) Simplifying the organizational requirements of the Committee and naming the Highways Administrator as the chairperson of the Committee rather than having the members elect that individual; and
- (7) Making technical, nonsubstantive amendments for the purpose of consistency.

Your Committee believes these amendments offer a basic and, therefore, very workable structure that will enhance the development of sound roadside vegetation management practices in this State.

Finally, the 1993 report of the Roadside Spraying Task Force entitled: "Report to the Legislature on H.C.R. No. 254, H.D. 1, S.D. 1" contains useful information on herbicide spraying. Therefore, your Committee encourages the members of the Committee to be established under this bill to carefully evaluate this report as part of their duties.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 531, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 531, S.D. 2, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1208 Human Services and Housing on S.B. No. 599**

The purpose of this bill is to expand the scope of the definition of "family and household member" for purposes of domestic abuse protective orders to include persons involved in a dating relationship.

The Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, Hawaii Lawyers Care, Hawaii Women Lawyers, Child and Family Service, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse and Legal Hotline, and one individual testified in support of the measure. The Hawaii State Commission on the Status of Women supported the measure with amendments. The Judiciary commented on the measure. The City and County of Honolulu Police Department and the Office of the Public Defender opposed the measure.

Your Committee finds that currently abusers who have a domestic relationship with their victims but do not or have never resided with them escape prosecution and penalties under domestic violence abuse laws. Your Committee further finds that at least 21 states plus the District of Columbia provide some protection in their family violence codes for persons who were abused by individuals they have dated. Many of these states have indicated that including persons involved in a dating relationship within the scope of their family violence codes has resulted in stronger and more effective domestic violence laws. Your Committee finds that the experience of these jurisdictions suggests that the benefits of the expansion of the law to include these relationships are great and that the fear of enforcement difficulties is unfounded.

Your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 588, H.D. 1, and H.B. No. 3293, H.D. 1, thereby:

- (1) Including persons with a dating relationship in the definition of "family or household member" for purposes of domestic abuse protective orders and penalties; and
- (2) Creating an enhanced penalty classification for certain repeat offenses against a family or household member.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 599, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 599, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Stegmaier.

**SCRep. 1209 Human Services and Housing on S.B. No. 1051**

The purpose of this bill is to allow the Department of Human Services to adopt rules and to reflect changes regarding child abuse and neglect records as they are made in federal statutes and regulations.

The Department of Human Services (DHS) testified in support of the bill.

Your Committee finds that DHS needs the flexibility to adopt rules that will keep Hawaii current with federal statutes and regulations.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1051, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 1210 Human Services and Housing on S.B. No. 1057**

The purpose of this bill is to restructure the State Advisory Council on Rehabilitation, including renaming it to the State Rehabilitation Council to conform with the federal Rehabilitation Act Amendments of 1998.

The Commission on Persons with Disabilities and the Department of Human Services testified in support of this bill.

Your Committee finds that this measure conforms state law with federal law and does not require additional funding. The changes are intended to increase the involvement of the Council in improving services and to assure closer relationship with other government programs that provide services to persons with disabilities.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1057 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1211 Human Services and Housing and Health on S.B. No. 175**

The purpose of this bill is to protect children and families by appropriating funds for various programs and services to prevent child abuse and maintain the integrity of the family unit.

Child and Family Service, Blueprint for Change, and the Hawaii Family Support Center testified in support of this measure. The Department of Human Services testified in support of this measure as long as it does not replace the priorities as established in the Executive Budget. The Department of Health testified in support of the intent of this measure. The Judiciary and the Department of the Attorney General submitted comments.

Your Committees find that this measure ensures a continuum of services to protect children and families from harmful health, social, and educational outcomes by preventing:

- (1) Child abuse before it occurs; and
- (2) The costly consequences of not developing a child's cognitive, social, emotional, and developmental needs.

However, your Committees find that, as written, a number of provisions amend Hawaii Revised Statute. Therefore, your Committees have amended this measure by:

- (1) Deleting sections 38 through 49 because these provisions fall outside of the scope of the title;
- (2) Amending the purpose and findings section to accurately reflect how making appropriations for child abuse and early childhood education and care services fall within the scope of the bill's title; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 175, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 175, S.D. 3, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representative Santiago.

**SCRep. 1212 Human Services and Housing and Health on S.B. No. 194**

The purpose of this bill is to encourage the purchase of long-term care (LTC) insurance by providing a State income tax credit of up to 50 percent of the premium cost of a qualified LTC policy, to a maximum of \$1,000 per year.

State Farm Insurance Companies, the Department of Commerce and Consumer Affairs, the Hawaii State Commission on the Status of Women, the American Association of Retired Persons, the Hawaii Coalition for Affordable Long Term Care, and the Hawaii Long Term Care Association testified in support of this measure. The Department of Taxation testified in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committees believe that providing taxpayers with a State income tax credit for LTC insurance costs creates an incentive for individuals to purchase LTC insurance during their younger years when premiums are more affordable.

To further assist persons needing LTC, your Committees have amended this measure by inserting additional language reflected in H.B. No. 170, H.D. 3. As amended, this measure also conforms Hawaii's tax laws to federal tax laws, which permit taxpayers to deduct amounts paid on expenses and premiums for certain tax qualified LTC insurance as medical expenses. Currently, Hawaii taxpayers cannot claim a similar deduction under state law.

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

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 194, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 194, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representatives Santiago and Yamane.

**SCRep. 1213 Human Services and Housing and Health on S.B. No. 131**

The purpose of this bill is to:

- (1) Require that employers offer long-term care (LTC) insurance to employees;
- (2) Enact the National Association of Insurance Commissioners (NAIC) Model Long-Term Care Act of 1998, (Model Act), and conform Hawaii's LTC insurance statutes to the Model Act; and
- (3) Appropriate funds to:
  - (A) Hire a qualified LTC insurance actuary and staff necessary to review LTC insurance filings;
  - (B) Establish a Long Term Care Volunteer Ombudsman program to augment the federal Long Term Care Ombudsman program, which serves as an advocate for the residents of the increasing number of community nursing facilities and adult residential care homes; and
  - (C) Allow the Department of Human Services (DHS) to continue the design and implementation of a Medicaid-managed LTC demonstration project.

Your Committees received testimony in support of this bill from the Insurance Commissioner, Department of Commerce and Consumer Affairs (DCCA), Hawaii Coalition for Affordable Long Term Care, Faith Action for Community Equity, the Policy Advisory Board for Elder Affairs, Hawaii State Teachers Association, Hawaii Long Term Care Association, Maui Economic Opportunity, Inc., Aloha Care, and two concerned individuals.

Testimony that supported the measure and also included comments or suggested amendments was received from the Executive Office on Aging, Hawaii State Commission on the Status of Women, and the National Association of Retired Federal Employees. Healthcare Association of Hawaii urged that your Committees pass the bill, submitted comments, and suggested amendments. AARP testified that the three programs proposed by the bill were worthy, but that the original purpose of the measure had been subverted. The Hawaii State Association of Life Underwriters supported the measure and expressed a concern.

DHS and Benefit Services of Hawaii, Inc., offered comments.

Hawaii Electric Company, Inc., submitted a number of concerns regarding the bill. State Farm opposed the measure as drafted. The American Council of Life Insurance, which supported the efforts of the Joint Legislative Committee (JLC), strongly opposed the bill, offering comments and suggesting amendments.

Your Committees have amended this bill by replacing its contents with that of a similar measure heard previously in this session by your Committees, H.B. No. 169, H.D. 2. The House bill addresses a number of concerns expressed by testifiers, and unlike the Senate bill:

- (1) Provides funding for an actuarial study to delineate an appropriate and affordable LTC financing program;
- (2) Extends the sunset of the JLC, from June 30, 1999, to June 30, 2000; and
- (3) Includes the version of the NAIC Model Act developed by the DCCA Insurance Commissioner for the purpose of incorporating provisions of the NAIC Model Regulations that increase protection for consumers.

Your Committees have also amended this measure for purposes of clarity, consistency and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 131, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 131, S.D. 3, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Labor and Public Employment.

Signed by all members of the Committees except Representatives Lee, Stegmaier, Yamane and Pendleton.

**SCRep. 1214 Human Services and Housing and Health on S.B. No. 1501**

The purpose of this bill is to ensure that children succeed in school by:

- (1) Creating a process whereby existing public schools and new schools may be established as a New Century School with alternative educational programs; and
- (2) Appropriating funds to develop an early childhood development and education center for infants and children up to four years of age in Kalihi, Oahu.

The South Maui Learning Ohana, the Kanu o ka 'Aina Teaching Team, Campbell Estate, the Native Hawaiian Education Council, and many individuals testified in support of this measure. The Departments of Education (DOE) and Budget and Finance, the Hawaii Government Employees Association, and the Hawaii State Teachers Association testified in support of the intent of this measure.

While this measure promotes greater learning for students from the early years on, your Committees find that amendments are necessary to establish a comprehensive education package. Therefore, your Committees have amended this measure by adding additional language reflected in H.B. No. 259, H.D. 3, and H.B. No. 264, H.D. 2. As amended, this measure also:

- (1) Provides parents or guardians of a child access to screening for their child for psychological and physiological development between the child's second and third birthday; and
- (2) Requires the Director of Health to establish at least one school-based health center in each departmental school district of DOE.

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

Your Committees believe that this measure, as amended, reflects a system of care that ensures that a child will be prepared for and will succeed in school.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1501, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1501, S.D. 3, H.D. 1, and be referred to the Committees on Education and Labor and Public Employment.

Signed by all members of the Committees except Representatives Lee, Stegmaier, Yamane and Pendleton.

**SCRep. 1215 Transportation on S.B. No. 1194**

The purpose of this bill is to allow school buses to use high occupancy vehicle (HOV) and zipper lanes, regardless of the number of occupants in the school bus.

Your Committee finds that this measure would be helpful to school buses since, oftentimes, empty school buses must go into Honolulu during rush hour to pick up students. Because these buses have only the driver on board, they do not meet the minimum three or more occupancy requirement for the zipper lane. As a result, these buses are not always able to keep up with their timetables.

School buses already assist in easing traffic congestion by keeping fewer cars on the road. This bill will enable school buses to perform their duties more efficiently without adding to traffic congestion.

This bill proposes to amend chapter 291C, Hawaii Revised Statutes, by allowing school buses to use HOV lanes, including zipper lanes, regardless of their number of passengers.

Testimonies in favor of this bill were received from the Department of Transportation and Gomes School Bus Service, Ltd.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, S.D. 1 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Okamura, Takai, Yoshinaga and Moses.

**SCRep. 1216                    Public Safety and Military Affairs on S.C.R. No. 3**

The purpose of this concurrent resolution is to request the United States Congress to approve the Ford Island Development Project.

The Chamber of Commerce, the Hawaii Building and Construction Trades Council, AFL-CIO, the Pacific Resource Partnership, the Hawaii Business Roundtable, and the Plumbers & Pipefitters Union Local 675 testified in support of this measure.

Your Committee finds that the Ford Island Development Project is a \$600 million construction plan that, if approved, will be a significant economic boost to Hawaii's faltering construction industry and the overall economy of the State.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 1217                    Agriculture on S.B. No. 1063**

The purpose of this bill is to remove references to the management of aquaculture programs from the statutory purview of the Department of Land and Natural Resources (DLNR).

The Department of Agriculture (DOA) testified in support of this bill.

Your Committee finds that Act 176, Session Laws of Hawaii 1998, made DOA the lead agency for aquaculture by transferring the Aquaculture Development Program and the Hawaii Aquaculture Advisory Council from DLNR to DOA. This bill is a "housekeeping" measure that makes appropriate statutory amendments to remove references to the management of aquaculture program under DLNR.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063 and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Ito, Morihara and Halford.

**SCRep. 1218                    Higher Education on S.B. No. 1184**

The purpose of this bill is to authorize the University of Hawaii (UH) to transact financing agreements for principal amounts not exceeding \$3,000,000 without approval by the Director of Finance and the Attorney General.

UH testified in support of the bill. UH also testified that the companion bill, H.B. 250, H.D. 2, provides UH with more flexibility by exempting UH not only in terms of entering into certain financing agreements, but also with respect to the sale, assignment, or other disposition of such financing agreements.

The University of Hawaii Professional Assembly testified in support of the intent of the bill.

Your Committee has amended this bill by providing UH with increased flexibility as suggested by UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago.

**SCRep. 1219                    Consumer Protection and Commerce on S.B. No. 1326**

The purpose of this bill is relieve foreign lenders of certain licensing, registration, and regulatory requirements presently imposed by law.

Specifically, the bill exempts foreign lenders from mortgage broker and solicitor licensure, and from real estate collection agent registration. The bill also repeals the provision requiring foreign lenders to file a statement with the Commissioner of Financial Institutions for mortgage loan purposes.

Testimony in support of this bill was received from the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee finds that this bill will encourage and facilitate qualified foreign lenders to do business in this State. This bill is identical to H.B. 1075 which was passed out of your Committee earlier this session, but the House bill crossed to the Senate after this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1326 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Takumi, Yoshinaga and Rath.

**SCRep. 1220 Consumer Protection and Commerce on S.B. No. 20**

The purpose of this bill is to support the provision of continuing education in the real estate industry by:

- (1) Combining existing real estate continuing education statutes into a single section;
- (2) Providing that real estate brokers are responsible for maintaining the expertise of associated real estate licensees through continuing education; and
- (3) Mandating that continuing education be based on current information, law, and rules.

Your Committee received testimony from the Department of Commerce and Consumer Affairs strongly supporting this bill. The Hawaii Association of Realtors (HAR) also submitted testimony in support of this measure.

Your Committee notes that this bill is similar to H.B. No. 791 H.D. 1, which passed out of your Committee earlier this session. The bills differ substantively in that the Senate bill requires that HAR initiate a work study group and submit its recommendations to the legislature, whereas the House bill provides that DCCA shall initiate the study in consultation with the HAR, and subsequently report its recommendations. Your Committee has amended this bill to facilitate further discussion, by replacing its contents with those of H.B. No. 791 H.D. 1, and has also made a technical amendment to conform the bill to standard drafting conventions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 20, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 20, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Yoshinaga and Rath.

**SCRep. 1221 Consumer Protection and Commerce on S.B. No. 1018**

The purpose of this bill is to streamline the procedure used by the Drug Product Selection Board (Board) to add generic drugs approved by the United States Food and Drug Administration (FDA) and listed in the FDA Orange Book to the State drug formulary, which lists safe, effective, and therapeutically equivalent drugs approved for distribution to consumers by:

- (1) Permitting the Board to adopt the FDA Orange Book and its cumulative supplements as rules; and
- (2) Removing language requiring the Board to publish and distribute a separate formulary.

The Department of Health (DOH), Hawaii Medical Service Association, and Longs Drugs submitted testimony supporting this bill. Your Committee received written testimony from the Pharmacy Association of Hawaii (PAH), supporting the intent of this measure and suggesting several amendments.

The PAH urged that this measure be amended to require the formulary be updated at least every six months, resources permitting, because longer delays would adversely affect the availability of generic drugs to consumers whose health and welfare depends on affordable medications.

Your Committee finds that this bill will increase the efficiency and the timeliness of making cost-saving generic drugs available to the consumer, without compromising existing consumer safety protections. Your Committee has made several amendments to this bill by:



- (1) Replacing its contents with that of H.B. No. 1136, H.D. 1, a measure heard earlier in this session by your Committee, that contains differences that are technical and nonsubstantive;
- (2) Adopting the amendment requested by the PAH that the formulary be updated at least every six months;
- (3) Revising the definition of "Orange Book" to reflect that the Orange Book contains a number of lists, including the list of approved drug products; and
- (4) Making other technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1018, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Garcia, Hiraki, Yoshinaga, Rath and Whalen.

**SCRep. 1222 Consumer Protection and Commerce on S.B. No. 1124**

The purpose of this bill is to eliminate the prohibitions on de novo interstate branching and on partial acquisition of branches by out-of-state banks, and to eliminate the five-year age requirement for whole bank acquisitions.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs (DCCA) and Bank of Hawaii. Hawaii National Bank provided comments and proposed an amendment to insert a sunset date of June 1, 2002 to allow the community banks to implement strategies to compete with out-of-state branch banks.

Your Committee finds that a progressive and open approach to interstate banking is in the best interest of this State and its residents, insofar as it creates an open business climate and a wider array of financial products and services for consumers. At the same time, your Committee believes it is important to consider the effect of such competition on our local banking institutions.

Your Committee notes that this bill is similar to H.B. No. 1062, H.D. 1, which passed out of your Committee earlier this session. The substantive difference is that the House bill provides for the Act to take effect on June 1, 2010, while the Senate bill takes effect upon approval. Your Committee had postponed the effective date to allow the Legislature ample time to evaluate the full ramifications of this measure. In order to facilitate further discussion, your Committee has amended this Senate bill to replace its contents with that of H.B. No. 1062, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1124, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1124, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Takumi, Yoshinaga and Rath.

**SCRep. 1223 Consumer Protection and Commerce on S.B. No. 1139**

The purpose of this bill is to amend the Hawaii Limited Liability Company Act of chapter 428, Hawaii Revised Statutes, to conform with amendments made to the Uniform Limited Liability Company Act adopted by the National Conference of Commissioners on Uniform State Laws several years ago. In addition to the conforming amendments, the measure includes amendments that among other things, are intended to:

- (1) Repeal prohibitions against limited liability companies (LLCs) engaging in insurance company and financial institution activities as well as those of other professions and vocations, without affecting other statutory requirements regarding those activities;
- (2) Extend the time within which an administratively terminated LLC may apply to the Director of Commerce and Consumer Affairs for reinstatement;
- (3) Allow the one-step amendment and restatement of an LLC's articles of organization; and
- (4) Repeal provisions requiring that case law be applied when a party seeks to hold members of an LLC personally liable, a housekeeping measure that is not intended to affect underlying individual rights to "pierce the corporate veil."

The Business Registration Division of the Department of Commerce and Consumer Affairs (DCCA), and a concerned part-owner of an LLC testified in support of this measure. DCCA stated that the conforming amendments to Hawaii's LLC Act were intended to make Hawaii business law transparent to persons in states with the same uniform law, thus making it easier to form LLCs in, and encouraging the free flow of trade and commerce through the State of Hawaii.

Your Committee notes that this measure is similar to H.B. No. 1077, H.D. 1, a bill your Committee heard earlier in this session. With the exception of a few nonsubstantive revisions, both measures are identical. Your Committee has amended this bill by making technical, nonsubstantive amendments, including the addition of Section 8 to the bill, which contains a technical amendment necessitated by the bill's renumbering of paragraphs in section 428-801, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Garcia, Hiraki, Yoshinaga, Rath and Whalen.

**SCRep. 1224                      Consumer Protection and Commerce on S.B. No. 1144**

The purpose of this bill is to allocate a percentage of revenues and amounts received from financial institutions under the franchise tax law, to be credited to the Financial Institutions Examiners' Revolving Fund (FIERF).

Presently, all of these funds which are collected pursuant to chapter 241, Hawaii Revised Statutes, are deposited into the general fund. This measure will allow the Division of Financial Institutions (DFI) to become self-funding.

The Commissioner of Financial Institutions from the Department of Commerce and Consumer Affairs (DCCA) and Hawaii Bankers Association submitted testimony in support of this bill. The Tax Foundation of Hawaii offered comments on this bill.

Your Committee finds that this bill will move the DFI towards full self-funding, which will give DFI the flexibility to regulate and deal with the constantly changing and complex financial institutions industry, without subjecting DFI to the constraints of fluctuations in the general fund. This insulation from uncertainty in funding will also help to assure DFI's accreditation by the Conference of State Banking Supervisors.

Your Committee notes that this bill is similar to H.B. 1082 which was passed out of your Committee earlier this session, but there are two substantive differences. This Senate bill leaves blank the allotted percentage amount to be credited to the FIERF, while the House bill allots forty per cent of the collected revenues to be deposited to the credit of the FIERF. Also, this Senate bill makes the Act effective on July 1, 1999, while the House bill provides that the Act shall take effect retroactive to January 1, 1999. To facilitate further discussions, your Committee has amended the Senate bill to replace its contents with that of H.B. 1082.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1144, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Takumi, Yoshinaga and Rath.

**SCRep. 1225                      Consumer Protection and Commerce on S.B. No. 1145**

The purpose of this bill is to support the Department of Commerce and Consumer Affairs' (DCCA) move toward self-sufficiency by combining most of DCCA's special and revolving funds into a single Compliance Resolution Fund, that is not subject to central service and departmental administrative expense reimbursement deductions or other general fund reversions, and that is to be managed by DCCA on a department- wide level.

Your Committee received testimony from DCCA strongly supporting this measure.

Your Committee notes that this measure is similar to H.B. No. 1083, H.D. 1, a bill passed out by your Committee earlier this session. The differences between these two bills are nonsubstantive. Your Committee has amended this bill by replacing its contents with that of H.B. No. 1083, H.D. 1. In addition, a number of technical amendments have been made that have the net result of increasing the similarity between the two measures, and that include:

- (1) Adding funds to the list of those that are not to be included in or affected by the Compliance Resolution Fund;
- (2) Including more specific designations of the special and other funds and moneys referenced in connection with the consolidation of funds into the Compliance Resolution Fund;
- (3) Adding sections 4, 5, and 18 to the bill to conform additional sections of the Hawaii Revised Statutes to the amendments made in the bill; and
- (4) Making other technical, nonsubstantive amendments for purposes of clarity, accuracy, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1145, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Takumi, Yoshinaga and Rath.

**SCRep. 1226                    Culture and the Arts on S.B. No. 1011**

The purpose of this bill is to amend the law relating to the SFCA by clarifying the roles of the commission, executive director, and foundation staff. The bill specifies that agencies receiving capital improvement appropriations are responsible for calculating the one per cent due to the works of art special fund.

The State Foundation on Culture and the Arts testified in support of this bill.

Your Committee has amended this measure by:

- (1) Removing the penalty provisions allowing the Comptroller to assess penalties against another agency; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, H.D. 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 1227                    Human Services and Housing on S.B. No. 1053**

The purpose of this bill is to repeal section 346-64, Hawaii Revised Statutes (HRS), which is unnecessary as personal care services are now provided through the Medicaid Home and Community-Based Waiver Programs, under chapter 346D, HRS.

The repeal of section 346-64, HRS, as contained in this bill, will clarify and eliminate duplication of the law with respect to reimbursement for personal care services.

The Department on Human Services testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1228                    Human Services and Housing on S.B. No. 1049**

The purpose of this bill is to assist foster children in their pursuit of higher education by allowing foster board payments to be made for eligible foster children who attend an accredited institution of higher learning on a part-time basis.

The Department of Human Services and an individual testified in support of this measure.

Your Committee notes that this bill is similar to H.B. No. 1116, "Relating to Foster Board Allowances for Students," which passed out of this Committee earlier this session.

Your Committee has amended this bill by making a technical, nonsubstantive amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1049, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1229                    Human Services and Housing on S.B. No. 1052**

The purpose of this bill is to:

- (1) Extend the sunset date for the Child Protective Services Reform Coordinating Committee (Committee) from June 30, 1999, to June 30, 2002;
- (2) Exempts the Committee's operations from public hearing requirements; and
- (3) Permits the Committee to share information with the Neighborhood Places, subject to confidentiality requirements.

The Department of Human Services (DHS), the Office of Youth Services, and Blueprint for Change testified in support of this measure. The Hawaii Government Employees Association testified in opposition to this measure. The Office of Information commented upon this measure.

Your Committee has amended this measure by adding provisions previously heard by your Committee in HB274, HB1117, and HB1537:

- (1) Requiring that operators of foster boarding homes successfully complete foster parent training;
- (2) Requiring the DHS to inform the appropriate police department or office of the prosecuting attorney of all reports received of child abuse or neglect;
- (3) Requiring a police officer to assume protective custody of a child without a court order or the consent of the family if there is evidence that a parent or guardian has subjected the child to or threatened harm and is likely to flee the jurisdiction of the court with the child;
- (4) Requiring the Department of Commerce and Consumer Affairs (DCCA) to adopt rules for the training and licensing of guardians ad litem;
- (5) Requiring guardians ad litem for children to meet DCCA standards;
- (6) Providing a penalty for violations;
- (7) Amending the Child Protective Act by:
  - (a) Requiring the court to set a child protection case for a show cause hearing within 30 days of a review hearing in which it is determined that aggravated circumstances are present;
  - (b) Providing that if the child has been residing outside the family home for 12 consecutive months a show cause hearing date shall be set and the burden shall be on the family to present evidence as to why the case should not proceed to a permanent plan hearing; and
  - (c) Requiring the DHS to file a motion to set a permanent plan hearing if the child has been residing outside the family home for an aggregate of 15 of the most recent 22 months, except in specified circumstances; and
- (8) Requiring the DHS to establish a medical and health case management procedure for children in foster care which:
  - (a) Establishes a continuum of services;
  - (b) Maintains a medical home for continuity of care;
  - (c) Maximizes existing resources for medical and health services for foster children; and
  - (d) Researches enhancement of federal reimbursement for care coordination services for foster care children.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1052, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1230 Human Services and Housing on S.B. No. 1003**

The purpose of this bill, as received, is to decrease the number of cases at the Child Support Enforcement Agency (CSEA) by allowing a parent who does not contest one's child support obligations and who is in good standing to opt out of the CSEA payment system.

One individual testified in support of this measure. The Department of the Attorney General and the Hawaii State Commission on the Status of Women testified in support of the intent of this measure.

Your Committee finds that presently, any alternative arrangement or opt-out is permissible upon a legal finding that is in the best interest of the child. Therefore, your Committee has deleted the substance and inserted language:

- (1) Penalizing employers with fifty employees or more who fail to provide payment of salary, wages, or compensation within five working days of payment due to a parent obligated to pay child support;
- (2) Penalizing CSEA when it fails to disburse child support payments after five working days from the date of collection, and giving these fines to the custodial parent; and

- (3) Requiring CSEA to use interest realized from the Special Interest Bearing Account to improve child support enforcement services;

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kawakami, Santiago and Stegmaier.

**SCRep. 1231 Consumer Protection and Commerce on S.B. No. 1125**

The purpose of this bill is to correct certain sections of the Code of Financial Institutions which were inadvertently not changed with the adoption of prior amendments to the Code.

This bill amends the definition of "Hawaii financial institution" and provisions relating to the purchase of failing institutions, to conform to 1996 amendments made to the interstate banking and branching laws. In addition, this measure amends procedures for the relocation of an agency, branch, or representative office of a foreign bank, and for the voluntary liquidation and dissolution of credit unions, to be consistent with procedures required for other financial institutions.

The Commissioner of Financial Institutions (Commissioner) of the Department of Commerce and Consumer Affairs testified in support of this housekeeping bill, and requested an amendment to accommodate certain nondepository financial services loan companies with fiscal year ends which differ from the calendar or June 30 year end.

Your Committee has amended the bill, as follows:

- (1) Providing for financial statements to be filed by a nondepository financial services loan company as of the last day of the sixth month and the last day of the twelfth month of each fiscal or calendar year; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1125, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia, Hiraki, Yoshinaga, Rath and Whalen.

**SCRep. 1232 Agriculture on H.R. No. 51**

The purpose of this resolution is to request the Commodity Advisory Group to establish a task force to address the issue of current export logos and devise a common export logo to identify and distinguish products from Hawaii.

Your Committee received testimonies in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau Federation Commodity Advisory Group.

Your Committee finds that innumerable products are on the market today that flagrantly use "Hawaii" as a selling tool for their products made in areas outside of Hawaii. Your Committee further finds that the "Made in Hawaii" logo is a way of identifying the quality products produced in Hawaii and that it will be cost prohibitive for each commodity to develop its export logo independently.

This resolution creates a task force to develop an export logo for positive identification for agricultural and food products of Hawaii origin and prevent misrepresentation of origin.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.R. No. 51 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ito, Morihara and Halford.

**SCRep. 1233 Agriculture on H.C.R. 61.**

The purpose of this concurrent resolution is to request the Commodity Advisory Group to establish a task force to address the issue of current export logos and devise a common export logo to identify and distinguish products from Hawaii.

Your Committee received testimonies in support of this measure from the Department of Agriculture and the Hawaii Farm Bureau Federation Commodity Advisory Group.

Your Committee finds that innumerable products are on the market today that flagrantly use "Hawaii" as a selling tool for their products made in areas outside of Hawaii. Your Committee further finds that the "Made in Hawaii" logo is a way of identifying the quality products produced in Hawaii and that it will be cost prohibitive for each commodity to develop its export logo independently.

This concurrent resolution creates a task force to develop an export logo for positive identification for agricultural and food products of Hawaii origin and prevent misrepresentation of origin.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Ito, Morihara and Halford.

**SCRep. 1234                    Public Safety and Military Affairs on H.C.R. No. 49**

The purpose of this concurrent resolution is to promote hurricane sheltering implementation by:

- (1) Requesting the State, counties, and communities to consider criteria for hurricane-resistant shelters in the course of constructing new public schools and new state facilities;
- (2) Encouraging the use of existing buildings and facilities that can be quickly converted into public emergency shelters, tempered by the fact that not all public buildings were designed and constructed to withstand hurricane-force winds; and
- (3) Supporting the Federal Civil Service Defense Division in its efforts to:
  - (A) Continue the facilities survey of potential hurricane emergency shelters throughout the State; and
  - (B) Urge the surveyed property owners and future owners of such property, to consider retrofitting measures.

The Department of Defense's State Civil Service Division testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 1235                    Consumer Protection and Commerce on H.C.R. No. 44**

The purpose of this resolution is to request a study of the feasibility of systematically relocating overhead utility facilities to underground, on islands in this State with populations exceeding 500,000.

The Department of Transportation supported the intent of the resolution, stating that it will help to clarify some of the significant issues associated with undergrounding of overhead utility facilities. GTE and Na Leo Pohai supported the resolution with proposed amendments. Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company supported the intent of the measure and suggested some amendments. Kauai Electric, although stating that it would not be impacted by this resolution, provided comments and recommendations. An individual member of Malama O Manoa submitted testimony supporting the resolution.

Your Committee recognizes that the issues surrounding the undergrounding of overhead utility facilities are complex and multi-faceted, and affect this State on many levels, including residents individually, neighborhoods, highways and other infrastructure, and our tourist industry. Your Committee finds that the study requested in this resolution would be indispensable to formulating a sound public policy for future legislation relating to this important matter.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Garcia, Hiraki, Yoshinaga, Rath and Whalen.

**SCRep. 1236                    Public Safety and Military Affairs on H.R. No. 53**

The purpose of this resolution is to request the support of Hawaii's Congressional Delegation for the designation and establishment of a Rapid Assessment and Initial Detection (RAID) team in Hawaii.

The Chamber of Commerce of Hawaii and the Department of Defense's State Civil Service Division testified in support of this measure.

Your Committee finds that the recent anthrax hoax in Honolulu have underscored the critical need in Hawaii for a fully capable National Guard RAID team.

Your Committee has amended this measure by making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 53, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 1237                      Public Safety and Military Affairs on H.C.R. No. 64**

The purpose of this concurrent resolution is to request the support of Hawaii's Congressional Delegation for the designation and establishment of a Rapid Assessment and Initial Detection (RAID) team in Hawaii.

The Chamber of Commerce of Hawaii and the Department of Defense's State Civil Service Division testified in support of this measure.

Your Committee finds that the recent anthrax hoax in Honolulu have underscored the critical need in Hawaii for a fully capable National Guard RAID team.

Your Committee has amended this measure by making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representative Garcia.

**SCRep. 1238                      Consumer Protection and Commerce on H.C.R. No. 29**

The purpose of this resolution is to support participation by the State of Hawaii in the federal Million Solar Roofs Initiative.

Your Committee heard the testimony of Hawaiian Electric Company, Inc., urging passage of this resolution, and describing environmental benefits of reduced emissions resulting from existing eligible Million Solar Roofs Initiative water heating systems installed as of February 1999. Written testimony in favor of this resolution was also received from Kauai Electric. The Department of Business, Economic Development, and Tourism supported the intent of this resolution. The Hawaii Renewable Energy Alliance testified in support and recommended an amendment.

Your Committee also supports this resolution, which seeks to maximize energy efficiency through the use of environmentally friendly technology, and is consistent with the State's record of leadership in promoting renewable energy. Your Committee has made nonsubstantive amendments to the resolution for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 29, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 29, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Garcia, Hiraki, Yoshinaga, Rath and Whalen.

**SCRep. 1239                      Legislative Management on S.B. No. 4**

The purpose of this bill, as received, is to:

- (1)     Require the Legislative Auditor to contract with an independent auditing firm to conduct a comprehensive audit of state government;
- (2)     Establish a joint legislative task force to gather information to supplement the Legislative Auditor's undertaking; and
- (3)     Appropriate moneys for the cost of the comprehensive audit.

The Judiciary supported the intent of this measure, but noted that if change is to occur within state government, it must come from within. The Department of Budget and Finance submitted comments. Both testifiers indicated that this measure is duplicative of other ongoing efforts to improve state government operations.

Your Committee concurs that although the underlying intent of this measure, as received, is a noble one, the scope of the proposed audit is too broad and would not justify the cost to accomplish the audit. In addition, a review by an outside party will only create an undesirable reaction from employees. Even if the recommendations made are valid, there is no guarantee that they will be acted upon

as the recommendations would have to be approved by the Legislature and the Executive Branch, subject to political and other considerations.

Your Committee finds that for any effective reform to occur, it must come from those who are intimately familiar with work operations. Accordingly, your Committee has amended this bill by deleting its substance and inserting provisions that would establish an incentive award program. As amended, this bill would:

- (1) Establish an Incentive Award Program (Program) to encourage state employees to make cost-saving recommendations to improve government operations;
- (2) Provide that the head of each department of the executive, judicial, or legislative branch of state government, upon the approval of the Governor, Administrative Director of the Courts, or House Speaker or Senate President, respectively, may pay cash awards to officers and employees for their cost-saving ideas;
- (3) Allow a monetary incentive of ten percent of the actual savings realized during the first year of implementation of the recommendation, but not more than \$50,000;
- (4) Provide that the Director of Human Resources Development develop guidelines to administer the Program; and
- (5) Require the Legislative Auditor to conduct annual reviews of the Program.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Ahu Isa, Goodenow and Souki.

**SCRep. 1240                      Transportation on S.B. No. 984**

The purpose of this bill is to permit certain contracts of warranty or guaranty to include coverage for towing and funding substitute transportation

Your Committee finds that other states allow the extended service contracts sold by car dealers to include coverage for towing, rental vehicles, and other services. Your Committee further finds that the Insurance Division of the Department of Commerce and Consumer Protection maintains that by statute, services such as towing and vehicle rentals would cause the service contract to be an insurance instrument, requiring the dealer to be licensed as an insurer, and the sales personnel as insurance agents.

Your Committee also finds that under present statutory provisions, the Insurance Division is not authorized to exempt motor vehicle service contracts that include towing and rental vehicle options, but that the Insurance Division is willing to implement the National Association of Insurance Commissioner's (NAIC) Service Contract Model Act if a law is enacted.

This bill proposes to repeal paragraph (14) of section 431:1-209, Hawaii Revised Statutes, in the Insurance Code, and to include the NAIC Service Contract Model Act. Furthermore, the bill proposes to edit the Model Act so that only motor vehicle service contracts or extended warranties become eligible.

To safeguard the integrity of this service, the bill proposes requirements that must be met before motor vehicle services or extended warranty contracts can be implemented, including services such as towing and rental vehicles. In order to assure adherence to these contracts, each provider of service must insure all service contracts under a reimbursement insurance policy, set up a reserve fund, or meet minimum net worth standards.

Testimonies by the Retail Merchants of Hawaii, the Hawaii Automobile Dealers' Association, the Department of Commerce and Consumer Affairs, and the Office of Consumer Protection oppose the bill in its present form, and indicate that changes must be made to make it acceptable.

Your Committee has amended this bill by deleting its substance and inserting the substance of H.B. 213, and by amending its effective date to January 1, 2010.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 984, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 984, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

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

**SCRep. 1241                      Transportation on S.B. No. 700**

The purpose of this bill is to enact provisions regulating neighborhood electric vehicles.



Your Committee on Transportation finds that Neighborhood Electrical Vehicles (NEV) are environmentally and economically sound alternatives to gasoline-fueled vehicles when used for traveling around and about neighborhood communities. NEV operate at a maximum speed of twenty-five miles per hour, and noise and air pollution produced by these vehicles are minimal. By utilizing electricity as its fuel, not only does it help to reduce fossil fuel consumption, it costs less to operate by using a less expensive form of energy. If a NEV industry is established within the State, this new industry could also induce more high technology and business opportunities.

This bill proposes to regulate neighborhood electric vehicles, which are designed to operate at speeds of 25 miles per hour or less. It also requires these vehicles to display slow moving vehicle emblems and meet the minimum Federal Motor Vehicle Safety standards.

Testimonies in support of this bill were received from Miniature Motorsports of Hawaii, MMS, Inc., and the Electric Vehicle Association of Hawaii. The Department of Consumer Services of City and County of Honolulu has no objections to this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 700, S.D. 2 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 1242                      Transportation on S.B. No. 1403**

The purpose of this bill is to strengthen enforcement of prohibitions against stopping, standing, or parking vehicles in designated areas on the highways.

Your Committee finds that traffic safety and the flow of traffic may be impeded by stopped, standing, and parked vehicles, and should be prohibited when these conditions exist. Your Committee further finds that prohibitions against these infractions may be legally indicated at the present time only by signs, which if excessive in numbers, mar the landscape.

This bill proposes that the Director of Transportation, the counties, and owners of private highways, with the consent of the county official responsible for traffic control, may use signs or curb markings to restrict or prohibit the stopping, standing, and parking of vehicles on highways.

Testimonies in support of this bill were received from the Department of Transportation and the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1403 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 1243                      Transportation on S.B. No. 1430**

The purpose of this bill is to reduce risks of head injuries to children playing with wheeled apparatus on public property.

Your Committee finds that many head injuries occur to children riding bicycles, and to children while using other wheeled apparatus in their recreational pursuits. Your Committee further finds that many injuries could be avoided by having children wear helmets while riding bicycles and playing on other wheeled apparatus.

This bill proposes that minors under the age of twelve be required to wear protective helmets while operating wheeled apparatus on public property. Wheeled apparatus includes mini-bikes, all terrain vehicles, skateboards, inline skates, roller skates, bicycles, and unicycles. To encourage compliance with this safety measure, parents or guardians would be subject to written warnings for the first and second violations, and fines of \$50 for subsequent violations.

Testimonies in support of this bill were received from the Department of Transportation, and the Hawai'i Bicycling League. The Department of Health and the Keiki Injury Prevention Coalition testified in support of the intent of this bill, but asked that the ages be extended to ages 18 and 15, respectively. The City and County of Honolulu Police Department supports the intent of the bill, but expressed concern about the costs of developing a special program to enforce the law.

Your Committee has amended this bill by having its provisions apply to all children under the age of 15.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1430, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1430, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 1244                      Transportation on S.B. No. 663**

The purpose of this bill is to make it more convenient for motorists to register their new vehicles.

Your Committee finds that temporary license plates may be used on new vehicles, pending registration, for not more than twenty days after purchase. Your Committee further finds that the twenty-day limit for utilization of temporary plates may be a hardship on some motorists due to work and other commitments. Your Committee also finds that registrants bringing their vehicles from the Mainland have thirty days in which to complete State registration.

This bill proposes to extend the time period for the registration of new motor vehicles from twenty to thirty days, making the time period consistent with that for vehicles brought in from the Mainland.

Testimony in support of this bill was received from the City and County of Honolulu.

Your Committee has amended this bill by making a technical, nonsubstantive amendment for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 663, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1245                      Transportation on S.B. No. 664**

The purpose of this bill is to reduce the number of inactive special number plate files.

Your Committee on Transportation finds that counties have an over-abundance of unused special number plates. There are many plates that are inactive because vehicles have been taken out of the state. Your Committee further finds that there are many plates in inventory waiting for re-issuance or initial issuance.

This bill proposes to allow the Director of Finance of each county to discard and allow for new applications of inactive special number plates that have not been assigned or registered during the preceding three years, including special number plates for antique motor vehicles.

Testimonies in support of this bill were received from the Department of Customer Services, City and County of Honolulu.

Your Committee has amended this bill by deleting its substance and inserting the substance of H.B 714, its companion bill. This eliminates any content referring to antique vehicles.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 664, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1246                      Transportation on S.B. No. 709**

The purpose of this bill is to further improve traffic enforcement by enhancing the operations of the demonstration projects established to apprehend drivers who run red lights or exceed posted speed limits.

Your Committee finds that the 1998 Legislature approved funding for demonstration projects, using photo speed imaging detector and red light imaging detector systems, to increase detections of and punishments for traffic violations and that other photo technologies are now available to produce photographic identification of vehicles violating traffic laws. Your Committee further finds that the delivery of traffic violation tickets to stopped vehicles by police officers is hazardous and increases, rather than decreases, traffic congestion.

This bill proposes to amend the photo red light imaging and photo speed imaging detector demonstration project by including other photo technology systems to improve traffic enforcement and reduce traffic congestion by producing photographic identification of a vehicle which crosses longitudinal traffic lane markings. The bill also contains procedures that allow for the citation or summons to be issued to a person who unlawfully crossed longitudinal traffic lane markings but is not the registered owner of the vehicle.

Testimonies in support of this bill were received from the Honolulu Police Department and two private citizens. The Department of Transportation supported the intent of this bill.

Your Committee has amended this bill by:

- (1) amending line 14 on page 16 as a means of promoting the flow of traffic;

- (2) inserting language that will discourage registered owners from falsely claiming that another person operated their vehicle at the time of a violation; and
- (3) clarifying the definition of U-drive vehicle in relation to this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1247                      Transportation on S.B. No. 392**

The purpose of this bill is to allow the Harbors Division to enter into cost-reimbursement contracts with maritime operators or tenants for public improvements.

Testimonies in support of this bill were received from the Department of Transportation and the Chamber of Commerce of Hawaii. The Hawaii Boaters Political Action Association, and BOATS/HAWAII Inc. testified in support of this bill with amendments. Testimonies in opposition to this bill were received from the Department of Budget and Finance and the Office of Hawaiian Affairs.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. 1212 and H.B. 451, H.D. 1, which were earlier heard and reported out of this Committee. This bill, as amended:

- (1) Updates the functions of the Metropolitan Planning Organization (MPO);
- (2) Changes the frequency of the election of the chairperson of the MPO from annually to every two years; and
- (3) Appropriates funds from the Harbor Special Fund for the
  - (A) Planning;
  - (B) Design; and
  - (C) Construction;
 of a cruise ship passenger terminal at Pier 2, Honolulu Harbor.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 392, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Takai, Yoshinaga and Moses.

**SCRep. 1248                      Public Safety and Military Affairs on S.B. No. 223**

The purpose of this bill is to establish a canine corps in the Department of Public Safety to mitigate the proliferation of illegal drugs in state correctional facilities.

The Department of Public Safety testified in support of this bill.

The availability of illegal drugs in state correctional facilities continues to plague prison administrators. For example, in the Maui correctional facility alone, 56 of its 400 inmates tested positive for methamphetamine, or more commonly known as "ice." Your Committee finds that one viable solution to this problem is the use of canine units by corrections authorities. Dogs can be effectively trained to control, if not eliminate, illegal drugs in prisons by screening all:

- (1) Supplies;
- (2) Vehicles;
- (3) Prisoners; and
- (4) Prison personnel;

entering and exiting a prison.

Your Committee acknowledges the Department of Public Safety's request for three additional permanent deputy sheriff positions to enact this Act and respectfully requests that the Committee on Finance review the fiscal ramifications of this issue.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 223, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1249                    Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 1163**

The purpose of this bill is to extend the authority of the Director of Public Safety to grant emergency release of pre-trial inmates until June 30, 2000.

The Department of Public Safety testified in support of this measure. The office of the Prosecuting Attorney of the City and County of Honolulu testified in opposition to this measure, and noted a technical flaw present in the relevant Session Laws.

Upon further consideration, your Committees have amended this bill by deleting its substance and inserting therein the general language reflected in H.B. No. 1196, H.D. 1, which was previously heard by your Committees. As amended, this bill addresses the technical flaw noted by the Prosecutor and carries out the purpose of the original bill.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1163, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1163, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Lee, Morita, Yoshinaga and Pendleton.

**SCRep. 1250                    Higher Education on S.B. No. 43**

The purpose of this bill is to provide more of a national and international perspective to the leadership of the University of Hawaii by expanding the membership of the Board of Regents to include nonresidents who are nationally or internationally prominent.

The Board of Regents submitted testimony in opposition to the bill.

Your Committee finds that an increased national and international perspective would improve the efforts of the University of Hawaii to elevate its prominence in the Pacific Rim. This bill is one way to achieve that perspective.

Alternately, universities are increasingly using advisory boards to make them more sensitive to national and international conditions that may impact upon opportunities and barriers to development. As the world moves toward globalization, the viability of any educational institution depends upon developing a strategy that is founded on broad perspectives. Your Committee finds that the mechanism of the advisory board is preferable to adding members to the Board of Regents.

The bill has been amended by deleting its contents and replacing it with the creation of a board that includes members who are nationally and internationally prominent to advise the Board of Regents on improving the strategic position of the University of Hawaii in the Pacific Rim.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago.

**SCRep. 1251                    Higher Education on S.B. No. 1183**

The purpose of this bill is to appropriate unspecified amounts to the University of Hawaii to replace moneys that were restricted in anticipation of a payroll lag that was not implemented.

Testimony in support of the bill was submitted by the University of Hawaii and the University of Hawaii Professional Assembly. The University of Hawaii requested an insertion of an amount totalling \$6,163,501.

Your Committee finds that the State restricted approximately \$6,200,000 from the University budget at the beginning of FY 1997-1998 in anticipation of a payroll lag authorized by the State effective with the June 30, 1998 payday. Although a preliminary injunction in late FY 1997-1998 was granted by the courts precluding implementation of the payroll lag with respect to University faculty members, funds previously restricted for the faculty payroll lag were not restored to the University's FY 1997-1998 allocation, creating a budget deficit of approximately \$6,200,000. Your Committee further finds that if emergency appropriations are not approved, the University will be unable to meet its June 30, 1999 faculty payroll, creating a second budgetary shortfall of the same amount in the present fiscal year. Funds which were appropriated but subsequently restricted are available in the state treasury.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago.

**SCRep. 1252 Ocean Recreation and Marine Resources on S.B. No. 1088**

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) to sell or take action to cause the sale of perishable natural resources that are seized.

DLNR and BOATS/Hawaii Inc. testified in support of this measure. The Environmental Center of the University of Hawaii supported the intent of the bill.

Your Committee has amended this bill by:

- (1) Providing that, unless directed by the courts, any non-natural resource that are seized shall be forfeited to the State for disposition as determined by DLNR or may be destroyed, kept, retained or utilized by the department or any other state agency;
- (2) Providing that if a non-natural forfeited item is not needed or required by DLNR or any other state agency, it shall be disposed of as provided by chapter 712A; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee finds that this bill will define procedures in managing perishable natural resources. Selling seized catches in a timely matter at fair market value would reduce storage costs to the state and prevent the waste of valuable consumable resources.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 1253 Human Services and Housing on S.B. No. 176**

The purpose of this bill is to strengthen Hawaii's criminal laws involving the physical abuse of children. Specifically, this bill:

- (1) Makes it a class A felony to intentionally, knowingly, or recklessly cause serious bodily injury to a minor twelve years of age or younger;
- (2) Makes it a class B felony to intentionally, knowingly, or recklessly cause substantial bodily injury to a minor twelve years of age or younger;
- (3) Requires that, in determining whether the use of force is justifiable under section 703-309, Hawaii Revised Statutes (HRS), consideration must be given to the condition of the minor;
- (4) Raises the age of a child victim from eight to twelve years old for purposes of determining whether to impose an extended term of imprisonment, under section 706-662, HRS;
- (5) Raises the age of a child victim from eight to twelve years old for purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons, resulting in the victim's death or serious bodily injury, under section 706-660.2, HRS; and
- (6) Changes recklessly allowing another person to inflict serious or substantial bodily injury on a minor from a misdemeanor offense to a class C felony offense.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of the bill. The Honolulu Police Department supported the intent of the bill. The Office of the Public Defender commented on the bill.

Your Committee finds that existing provisions in the penal code are insufficient to provide appropriate punishment for and deterrence to child abuse. Greater penalties are needed for those who commit crimes against children in our communities.

Your Committee has amended the bill by:

- (1) Making it a class A felony to intentionally, knowingly, or recklessly cause serious bodily injury to a minor ten years of age or younger;
- (2) Making it a class B felony to intentionally, knowingly, or recklessly cause substantial bodily injury to a minor ten years of age or younger;

- (3) Changing the age of a child victim from twelve to ten years old for purposes of determining whether to impose an extended term of imprisonment, under section 706-662, HRS; and
- (4) Changing the age of a child victim from twelve to ten years old for purposes of determining whether to impose a mandatory term of imprisonment for offenses against children, elder persons, or handicapped persons, resulting in the victim's death or serious bodily injury, under section 706-660.2, HRS.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 176, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Kawakami, Santiago and Stegmaier.

**SCRep. 1254                    Human Services and Housing on S.B. No. 876**

The purpose of this bill is to establish a standard method of valuation for the appraisal of a leased-fee interest for condominiums and cooperative housing corporations.

An individual testified in support of this measure. The Housing and Community Development Corporation of Hawaii, Small Landowners of Oahu, the Small Landowners Association, and Kamehameha Schools Bernice Pauahi Bishop Estate opposed this measure.

Your Committee notes the concerns raised by the opponents to this bill about the constitutionality of limiting the calculation of value to one appraisal method and ambiguities in the valuation method. Your Committee finds, however, that interests of equity and fairness outweigh these concerns and that this measure warrants further discussion.

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

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 876, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami, Santiago and Stegmaier.

**SCRep. 1255                    Human Services and Housing on S.B. No. 1055**

The purpose of this bill is to expand the types of benefits payments that may be claimed by the State when abandoned in the Department of Human Services' (DHS) Electronic Benefit Transfer System (system) to include all benefits in the system.

The DHS testified in support of this measure.

Your Committee has amended this measure by:

- (1) Providing that the abandoned payments revert back to the program's appropriation from which the funds were expended; and
- (2) Allowing DHS to offset the abandoned claim balance against any outstanding overpayments still owed by the household prior to reversion.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1055, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1256                    Health on S.B. No. 1460**

The purpose of this measure is to add to the definition of "certified substance abuse staff" psychologists who hold certification from the American Psychological Association College of Professional Psychology in the treatment of alcohol and psychoactive substance use disorders. This measure will help to assure that such psychologists would qualify for payments under medical or health insurance for substance abuse treatments.

The Department of Health, the Hawaii Psychological Association, and Hawaii Biodyne provided testimony in support of the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1460 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 1257                    Health on S.B. No. 180**

The purpose of this measure is to make appropriations for a variety of substance abuse prevention and treatment services.

The Department of Health, the Hawaii Substance Abuse Coalition, Drug Addiction Services of Hawaii, and a private citizen provided testimony in support of the measure.

While your Committee agrees that a comprehensive approach is necessary to address the negative effects alcohol and drug abuse may have on society, it is the desire of the Committee to see the coordination of such services as the Legislature moves to fund these various programs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 180, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 1258                    Health on S.B. No. 1034**

The purpose of this bill is to:

- (1) Establish a Hawaii Tobacco Settlement Special Fund with moneys derived from settlements of the class action lawsuit against tobacco companies that will serve as a mechanism to maximize financial resources for:
  - (a) Tobacco prevention and control;
  - (b) Health promotion and disease prevention programs;
  - (c) Children's health programs; and
  - (d) Long-term, prevention-oriented public health efforts; and
- (2) Establish a Hawaii Tobacco Prevention and Control Endowment Fund for public-private partnerships for tobacco prevention and control;
- (3) Establish a rainy day fund, moneys of which may be expended by the Governor at the Governor's discretion should it become necessary to make up for decreased State revenues; and
- (4) Establish an advisory board which will develop a strategic plan and make recommendations to assist the Department of Health and the Hawaii Community Foundation to expend tobacco settlement moneys.

Testimony in support of the bill was received from the Hawaii Medical Association, Hawaii Health Systems Corporation, West-Hawaii Tobacco-Free Coalition, the Hawaii Family Support Center, the American Academy of Pediatrics, the Hawaii Coalition for Affordable Long Term Care, the Kauai Tobacco-Free Community Coalition, Good Beginnings Alliance, the American Cancer Society, the Policy Advisory Board for Elder Affairs, and several concerned individuals.

The American Lung Association, the American Heart Association, Kaiser Permanente, the Policy Advisory Board for Elder Affairs, and the Coalition for a Tobacco Free Hawaii testified in support of the intent of the bill. The Healthcare Association of Hawaii and the Hawaii American Association of Retired Persons, and an individual commented on the bill.

The Department of Health supported the intent of the bill, but testified that the language contained in the administration's proposal was preferable. The Department of Budget and Finance also testified in support of restoring the original provisions of the bill, as proposed by the administration, and further testified that it could not support the bill in its current form.

Your Committee finds that a Master Settlement Agreement was entered into between the State of Hawaii and participating tobacco manufacturers to settle all related claims against participating manufacturers. Under the Master Settlement Agreement, the State will receive approximately \$1.1 billion dollars over the next twenty-five years.

Your Committee also finds that because the Master Settlement Agreement was reached based on the medical care costs for tobacco-related illnesses, a major share of the settlement should be designated for prevention and early intervention programs to offset future health care costs.





The purpose of this bill is to provide for housing needs by creating a special fund for homeless assistance, allocating 25 percent of conveyance tax revenues to the special fund and appropriating funds for homeless shelter facilities and assistance.

Your Committee received testimony as follows:

1. Housing and Community Development Corporation of Hawaii, Barbers Point Naval Air Station Redevelopment Commission, Hawaii Catholic Conference, Institute for Human Services, Affordable Housing and Homeless Alliance, Catholic Charities Community Services, Health Care for the Homeless Project, one individual, in support;
2. Tax Foundation of Hawaii, in opposition; and
3. Department of Budget and Finance, Nature Conservancy of Hawaii, offering comment.

Your Committee finds that concerns exist about the propriety of using conveyance tax revenues for a homeless assistance special fund, but the legislature should explore options for funding homeless needs during this time of economic difficulty.

Your Committee revised the bill by:

1. Changing the effective date to an unspecified year; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1229, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Schatz and Takumi.

**SCRep. 1261 Economic Development and Business Concerns and Health on S.B. No. 47**

The purpose of this bill is to address certain aspects of Hawaii's tax structure by clarifying the general excise taxation of joint ventures in the health care field. In addition, this measure eliminates the taxation of the sale of prescription drugs and prosthetic devices to health care facilities.

Testimony in support of this measure was submitted by the Department of Taxation and the Healthcare Association of Hawaii. The Tax Foundation of Hawaii provided comments.

Your Committees have amended section 7 of this bill by eliminating the phrase "amounts paid or incurred after June 30, 1999" and substituting language specifying that tangible personal property acquired by an importer or purchaser becomes taxable by the State after June 30, 1999.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 47, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 47, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Abinsay, Arakaki, Lee, Stegmaier, Morihara, Saiki, Suzuki, Halford, McDermott and Rath.

**SCRep. 1262 Public Safety and Military Affairs on H.R. No. 49**

The purpose of this measure is to request that an aircraft carrier group be assigned to Pearl Harbor, Hawaii. An aircraft carrier group would be an economic benefit to the State, particularly the Pearl Harbor Naval Shipyard. Pearl Harbor would also be a tactically favorable location for the Navy to deploy these ships.

Your Committee received testimony in support of the resolution from the Department of Business, Economic Development, and Tourism, and the Chamber of Commerce of Hawaii. The Department of Transportation, and the Barbers Point Naval Air Station Redevelopment Commission testified in support of the intent of the resolution. The American Friends Service Committee Hawaii Area Program, Carol Aiken, and Nancy Aleck testified in opposition to the resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 49, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1263 Public Safety and Military Affairs on H.R. No. 75**

The purpose of this measure is to support a proposed multipurpose veterans' center to be established in Hilo, Hawaii. The proposed center would be constructed on a plot of land subject to a swap between the State and the County of Hawaii. A non-profit organization, the Hawaii Island Veterans Memorial, Inc., would then lease the facility and be responsible for the operating costs. This facility would provide approximately 15,000 Hawaii County veterans a more accessible location to receive the veterans' benefits to which they are entitled.

Your Committee received copious testimony in strong support of this resolution. The testimony included that of the Mayor of the County of Hawaii, the Office of Veterans' Services, the Advisory Board of Veterans' Services, and over 30 members of various Hawaii County veterans groups.

Upon further review, your Committee has amended this measure to correct an error in the acreage involved in the proposed land swap.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1264                      Public Safety and Military Affairs on H.C.R. No. 86**

The purpose of this measure is to support a proposed multipurpose veterans' center to be established in Hilo, Hawaii. The proposed center would be constructed on a plot of land subject to a swap between the State and the County of Hawaii. A non-profit organization, the Hawaii Island Veterans Memorial, Inc., would then lease the facility and be responsible for the operating costs. This facility would provide approximately 15,000 Hawaii County veterans a more accessible location to receive the veterans' benefits to which they are entitled.

Your Committee received copious testimony in strong support of this resolution. The testimony included that of the Mayor of the County of Hawaii, the Office of Veterans' Services, the Advisory Board of Veterans' Services, and over 30 members of various Hawaii County veterans groups.

Upon further review, your Committee has amended this measure to correct an error in the acreage involved in the proposed land swap.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 86, H.D. 1.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1265                      Higher Education on H.C.R. No. 85**

The purpose of this concurrent resolution is to request the Legislative Auditor to perform a management audit of the University of Hawaii (UH) over a two-year period to:

- (1) Determine the effects of the increased flexibility that was granted to UH under Act 115, Session Laws of Hawaii 1998 (Act 115); and
- (2) Provide an interim report to the 2000 Legislature and a final report to the 2001 Legislature.

UH testified that while it will cooperate with the Legislative Auditor, UH feels that a management audit on Act 115 is premature, given that the effective date of Act 115 was July 1, 1998, less than nine months ago. UH also testified that despite severe time constraints, UH has made significant progress in implementing the flexibility provisions enumerated in Act 115.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago.

**SCRep. 1266                      Human Services and Housing on H.C.R. No. 21**

The purpose of this concurrent resolution is to request the Governor to incorporate assistive technology considerations and language in all administration measures relating to persons with disabilities in order to ensure an adequate supply of the technology in the State.

Hawaii Assistive Technology Training & Services submitted testimony in favor of this measure. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 21 and recommends that it be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1267                    Public Safety and Military Affairs and Health on H.R. No. 48**

The purpose of this measure is to begin an aggressive effort to understand and assess the persistent problem of dual occurring diagnoses of mental disorders and alcohol or substance abuse among the inmate populations within Department of Public Safety facilities.

Your Committees received testimony in support of this measure from the Department of Public Safety, the Community Alliance on Prisons, and T.J. Mahoney and Associates. Testimony supporting the intent of the resolution was received from the University of Hawaii School of Social Work, the Department of Health, and the American Civil Liberties Union.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 48, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Yamane, McDermott and Pendleton.

**SCRep. 1268                    Public Safety and Military Affairs and Health on H.C.R. No. 60**

The purpose of this measure is to begin an aggressive effort to understand and assess the persistent problem of dual occurring diagnoses of mental disorders and alcohol or substance abuse among the inmate populations within Department of Public Safety facilities.

Your Committees received testimony in support of this measure from the Department of Public Safety, the Community Alliance on Prisons, and T.J. Mahoney and Associates. Testimony supporting the intent of the resolution was received from the University of Hawaii School of Social Work, the Department of Health, and the American Civil Liberties Union.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 60, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Yamane, McDermott and Pendleton.

**SCRep. 1269                    Tourism on H.R. No. 62**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to include sports tourism in their development of the State's overall tourism marketing plan and strategy.

Testimony was received from the HTA in support of this measure.

Your Committee finds that sports tourism in general, is an untapped market that could contribute substantially towards the growth and diversification of Hawaii's visitor industry. Your Committee further finds that promoting sports tourism as part of the State's marketing strategy to boost the economy, would help to expand tourism, the State's largest and most important industry, and enhance Hawaii's appeal as a desirable visitor destination.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kaho'ohalahala and Saiki.

**SCRep. 1270                    Tourism on H.C.R. No. 75**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to include sports tourism in their development of the State's overall tourism marketing plan and strategy.

Testimony was received from the HTA in support of this measure.

Your Committee finds that sports tourism in general, is an untapped market that could contribute substantially towards the growth and diversification of Hawaii's visitor industry. Your Committee further finds that promoting sports tourism as part of the State's marketing strategy to boost the economy, would help to expand tourism, the State's largest and most important industry, and enhance Hawaii's appeal as a desirable visitor destination.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kaho'ohalahala and Saiki.

**SCRep. 1271                      Tourism on S.C.R. No. 20**

The purpose of this measure is to urge the United States Congress to exert efforts to make the visa waiver program permanent and to add Taiwan and Korea to the program.

Testimony was received from the Department of Transportation and PRWorks in support of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kaho'ohalahala and Saiki.

**SCRep. 1272                      Legislative Management on H.R. No. 29**

The purpose of this resolution is to establish and adopt policies governing the Legislative Broadcast Program (Program) of the House of Representatives with regard to policy responsibility, distribution, programming content, ownership, and use of programming.

Your Committee finds that the adoption of policies governing the Program will encourage citizen involvement in the legislative process, while enabling the House of Representatives to better meet the needs of Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29 and recommends its adoption.

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

**SCRep. 1273                      Higher Education and Consumer Protection and Commerce on H.R. No. 16**

The purpose of this resolution is to:

- (1) Require effective pain management programs in all healthcare institutions;
- (2) Use the Agency for Healthcare Policy and Research (AHCPR) guidelines for the treatment of pain as a guide for all healthcare providers;
- (3) Urge the Department of Health (DOH) to establish the right to skilled pain management in a "Patient's Bill of Rights" for all certified or licensed facilities;
- (4) Encourage all medical, nursing, and other healthcare professional schools in the State to incorporate pain management courses into their curricula;
- (5) Challenge professional organizations to formally adopt AHCPR standards and incorporate them in their peer review and continuing education programs; and
- (6) Request the Hawaii Medical Association and Hawaii Nurses' Association to evaluate pain management practices, including determining the effectiveness of having all physicians and nurses skilled in pain management for their patients.

DOH, the Commission on Persons with Disabilities, the University of Hawaii at Manoa School of Nursing, the Hawaii Medical Association, and the Hawaii Nurses' Association testified in support of this measure. The Hawaii Catholic Conference testified in support of the intent of this measure.

Your Committees find that effective pain management programs should be required in all healthcare institutions. Your Committees also find that a "Patient's Bill of Rights" establishing the right to skilled pain management should be developed for and used as a guide by all certified or licensed healthcare facilities.

As affirmed by the records of votes of the members of your Committees on Higher Education and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 16, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Cachola, Herkes, Hiraki, Morita, Okamura, Santiago, Yoshinaga and Rath.

**SCRep. 1274                      Higher Education and Consumer Protection and Commerce on H.C.R. No. 14**

The purpose of this resolution is to:

- (1) Require effective pain management programs in all healthcare institutions;
- (2) Use the Agency for Healthcare Policy and Research (AHCPR) guidelines for the treatment of pain as a guide for all healthcare providers;
- (3) Urge the Department of Health (DOH) to establish the right to skilled pain management in a "Patient's Bill of Rights" for all certified or licensed facilities;
- (4) Encourage all medical, nursing, and other healthcare professional schools in the State to incorporate pain management courses into their curricula;
- (5) Challenge professional organizations to formally adopt AHCPR standards and incorporate them in their peer review and continuing education programs; and
- (6) Request the Hawaii Medical Association and Hawaii Nurses' Association to evaluate pain management practices, including determining the effectiveness of having all physicians and nurses skilled in pain management for their patients.

DOH, the Commission on Persons with Disabilities, the University of Hawaii at Manoa School of Nursing, the Hawaii Medical Association, and the Hawaii Nurses' Association testified in support of this measure. The Hawaii Catholic Conference testified in support of the intent of this measure.

Your Committees find that effective pain management programs should be required in all healthcare institutions. Your Committees also find that a "Patient's Bill of Rights" establishing the right to skilled pain management should be developed for and used as a guide by all certified or licensed healthcare facilities.

As affirmed by the records of votes of the members of your Committees on Higher Education and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 14, H.D. 1, and recommend its adoption.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Cachola, Herkes, Hiraki, Morita, Okamura, Santiago, Yoshinaga and Rath.

**SCRep. 1275 Higher Education and Consumer Protection and Commerce on H.R. No. 13**

The purpose of this resolution is to increase awareness of the choices available to the severely ill and urge increased professional education about death and dying.

The Hawaii Nurses' Association, the Commission on Persons with Disabilities, and the Hawaii Catholic Conference testified in support of the measure. The Executive Office on Aging and the Hawaii Medical Association testified in support of the intent of the measure. The American Cancer Society and the University of Hawaii at Manoa School of Nursing commented on the measure.

Your Committees have amended this resolution by:

- (1) Deleting the statement that the American Cancer Society and the American Heart Association are among health agencies that ignore death as a frequent consequence of illness;
- (2) Providing that "some" health agencies that allege that such agencies ignore death as a frequent consequent of illness;
- (3) Providing that "some" healthcare providers have made only minimal efforts in their institutional marketing campaigns to educate the public about death;
- (4) "Urging," rather than requiring, the media to engage in extensive public service campaigns to improve public awareness of the need for planning for a dignified death;
- (5) "Urging," rather than requiring, healthcare professionals to:
  - (a) Include educational programs on the care of the dying; and
  - (b) Use a portion of their marketing budgets to publicize the use of hospices and increase awareness of the inevitability of death.

As affirmed by the records of votes of the members of your Committees on Higher Education and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 13, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 13, H.D. 2.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Cachola, Herkes, Hiraki, Morita, Okamura, Santiago, Yoshinaga and Rath.

**SCRep. 1276 Higher Education and Consumer Protection and Commerce on H.C.R. No. 10**

The purpose of this concurrent resolution is to increase awareness of the choices available to the severely ill and urge increased professional education about death and dying.

The Hawaii Nurses' Association, the Commission on Persons with Disabilities, and the Hawaii Catholic Conference testified in support of the measure. The Executive Office on Aging and the Hawaii Medical Association testified in support of the intent of the measure. The American Cancer Society and the University of Hawaii at Manoa School of Nursing commented on the measure.

Your Committees have amended this concurrent resolution by:

- (1) Deleting the statement that the American Cancer Society and the American Heart Association are among health agencies that ignore death as a frequent consequence of illness;
- (2) Providing that "some" health agencies that allege that such agencies ignore death as a frequent consequent of illness;
- (3) Providing that "some" healthcare providers have made only minimal efforts in their institutional marketing campaigns to educate the public about death;
- (4) "Urging," rather than requiring, the media to engage in extensive public service campaigns to improve public awareness of the need for planning for a dignified death;
- (5) "Urging," rather than requiring, healthcare professionals to:
  - (a) Include educational programs on the care of the dying; and
  - (b) Use a portion of their marketing budgets to publicize the use of hospices and increase awareness of the inevitability of death.

As affirmed by the records of votes of the members of your Committees on Higher Education and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 10, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 10, H.D. 2.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Cachola, Herkes, Hiraki, Morita, Okamura, Santiago, Yoshinaga and Rath.

**SCRep. 1277 Public Safety and Military Affairs on H.R. No. 88**

The purpose of this resolution is to request various agencies to emulate the type of community partnership that the 15th Air Base Wing Command has established.

Your Committee received testimony in strong support of this measure from Life of the Land and members of the community partnering effort conducted by the Air Force.

Upon further consideration, your Committee has amended this measure by adding the Commander in Chief of the Pacific to the list of those to receive a certified copy of the resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1278 Public Safety and Military Affairs on H.C.R. No. 97**

The purpose of this resolution is to request various agencies to emulate the type of community partnership that the 15th Air Base Wing Command has established.

Your Committee received testimony in strong support of this measure from Life of the Land and members of the community partnering effort conducted by the Air Force.

Upon further consideration, your Committee has amended this measure by adding the Commander in Chief of the Pacific to the list of those to receive a certified copy of the resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 97, H.D. 1.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1279                    Public Safety and Military Affairs on S.B. No. 588**

The purpose of this bill is to include as an interagency requirement the sharing of all relevant criminal, parole, medical, psychological, or mental health records, upon request of a participating agency.

The Judiciary and the Department of Public Safety testified in support of this bill. The Office of Information Practices submitted proposed amendments to this bill.

Your Committee finds that multiple agencies are commonly concurrently involved in the supervision and treatment of sex offenders in various phases of the criminal justice system. For example, an incest offender may be initially involved with the Child Protective Services Section in the Department of Human Services and the Adult Probation Division of the Judiciary. As such, the opportunity to share treatment and psychiatric records can:

- (1) Improve system efficiency;
- (2) Reduce duplication of effort; and
- (3) Facilitate consistency of efforts.

Your Committee further finds that public safety goals are ultimately better achieved by the sharing and collaboration of sex offender information.

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

- (1) Incorporating the OIP's proposed amendments which requires any agency providing confidential offender records to document the following information:
  - (A) The name of the agency to which the record is disclosed;
  - (B) The title of the record disclosed; and
  - (C) The date of the disclosure; and
- (2) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 588, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1280                    Public Safety and Military Affairs on S.B. No. 1481**

The purpose of this bill is to appropriate funds for a grant-in-aid to the Hawaii Island Veterans Memorial, Inc., for:

- (1) Plans;
- (2) Land acquisition;
- (3) Design and engineering;
- (4) Construction; and
- (5) Equipment;

for phase I and phase II of the Combined Veterans Center Project.

The Big Island Retired Military Association, the Advisory Board on Veterans Services, the Office of Veterans Services, the Hawaii Island Veterans Memorial, Inc. (HIVM), the Mayor of the County of Hawaii, and members of the public testified in support of this bill.

According to the latest available Veterans Administration population figures, there are currently 14,440 veterans residing in the County of Hawaii. Based on these population number, there is an increased need for centralized veterans services and in particular, a Community Based Out-Patient Clinic (CBOC). The HIVM was formed by 30 different veterans organizations as a nonprofit corporation to plan, build, and operate a multipurpose veterans center to include a 50-unit veterans home. Your Committee finds that this bill is the first step in ensuring that adequate counseling, readjustment, and medical treatment will be provided to the County of Hawaii's veterans in a permanent, safe, and localized location.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1481, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pendleton.

**SCRep. 1281                    Public Safety and Military Affairs and Education on S.B. No. 1274**

The purpose of this bill, as received, is to transfer the responsibility of the administration of the night security program for selected public schools from the Department of Public Safety to the Department of Education.

Your Committees received testimony in strong support of this measure from the Department of Education.

Upon further consideration, your Committees have amended this bill by appending the general language reflected in H.B. No. 156, H.D.1, and H.B. No. 157, H.D.2, which were previously heard before your Committee on Public Safety and Military Affairs.

The language inserted from H.B. 156, H.D.1 accomplishes the following:

- (1) Authorizes the governor to proceed with the development of privately-developed in-state correctional facilities or an in-state correctional facility using public or private funds, subject to the developer obtaining a certificate of participation if private funds are used; and
- (2) Provides for community partnering to mitigate the negative aspects of building a correctional facility; and
- (3) Makes all proposals public within 72 hours of receipt; and
- (4) Requires community concurrence through a petition.

The language inserted from H.B. 157, H.D.2 addresses the prison overcrowding issue by continuing the comprehensive schedule of incarceration alternatives and continuing rehabilitative and assistive programs for arrestees and incarcerated persons by doing the following:

- (1) Continues the comprehensive schedule of alternatives to incarceration established by Act 25, Special Session Laws of Hawaii 1995; and
- (2) Continues the rehabilitative and assistance programs for arrestees and incarcerated persons established by Act 25, Special Session Laws of Hawaii 1995.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1274, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1274, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Chang, Okamura, Morihara and Santiago.

**SCRep. 1282                    Health on S.B. No. 498**

The purpose of this bill is to allow the Board of Nursing (Board), instead of the Department of Commerce and Consumer Affairs (DCCA), to grant prescriptive authority to advanced practice registered nurses (APRNs), provided that an advisory committee provides recommendations to the Board regarding prescriptive authority, including the prescribing of controlled substances in schedules II to V under the Uniform Controlled Substances Act by recognized APRNs.

The Board, the Hawai'i Nurses' Association, the Hawaii Long Term Care Association, Ohana Counseling Services, the University of Hawaii at Manoa School of Nursing, the National Association of Social Workers, Hawaii Chapter, the American Psychiatric Nurses Association, Hawaii Chapter, and several individuals testified in support of this bill. The Department of Health, the Board of Medical Examiners, and two individuals commented on this bill. The Hawaii Medical Association, the Hawaii Psychiatric Medical Association, the Pharmacy Association of Hawaii, the Honolulu County Medical Society, and several individuals testified in opposition to this bill.

Your Committee recognizes that of the 33 states that allow APRNs to prescribe controlled substances, 23 of those states allow APRNs to prescribe schedule II-V controlled substances. In its deliberations, your Committee raised the following concerns:



- (1) To what extent is there a need to allow APRNs to prescribe schedule II-V controlled substances; and
- (2) How many practitioners would be allowed to prescribe schedule II-V controlled substances under this bill.

Your Committee requests the subsequent Committee to examine whether the Board is the appropriate entity to grant prescriptive authority to APRNs, rather than DCCA.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 498, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.  
(Representatives Leong and McDermott voted no.)

**SCRep. 1283                    Health on S.B. No. 40**

The purpose of this bill is to allow full implementation of the Board of Medical Examiners' rules governing physician assistants (PA) by changing the statutory nomenclature applicable to PA regulation from "certification" to "licensing".

The Board of Medical Examiners, the Hawaii Academy of Physician Assistants, and one individual testified in support of this measure.

Your Committee finds that a change in statutory terminology from certified to licensed would more accurately reflect the regulatory intent and practice, and would have:

- (1) Minimal fiscal and operational impact on the Department of Commerce and Consumer Affairs;
- (2) Little to no effect on the public's health, safety, or welfare; and
- (3) No effect on insurance coverage.

Your Committee has amended this measure by making technical, nonsubstantive amendments to conform to a similar measure, H.B. No. 47, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 40, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 40, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.  
(Representative McDermott voted no.)

**SCRep. 1284                    Judiciary and Hawaiian Affairs and Public Safety and Military Affairs on S.B. No. 1159**

The purpose of this bill is to eliminate the 30 percent maximum limit of the Compensation Special Fund that can be used to fund operating expenses and positions of the Crime Victim Compensation Commission (CVCC).

Testimony in support of this bill was received from the Crime Victim Compensation Commission and the Prosecuting Attorney of the City and County of Honolulu.

Your Committees find that the current expense ceiling set at 30 percent of the total special fund balance significantly hampers the operation of the CVCC.

Your Committees have amended the measure by:

- (1) Adding a provision requiring CVCC to appoint, not subject to chapters 76 and 77, an administrator;
- (2) Repealing the sunset provision; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1159, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Lee, Morita, Yoshinaga, Pendleton and Whalen.

**SCRep. 1285                    Judiciary and Hawaiian Affairs on S.B. No. 1016**

The purpose of this bill is to limit to 10 cents per page the amount that any agency can charge for copies of administrative rules. Additionally, the bill requires the posting of the full text of proposed rules on the lieutenant governor's website effective January 1, 2000.

Testimony in support of this bill was received from the Office of Information Practices, the Legislative Reference Bureau, the Department of Accounting and General Services, the League of Women Voters of Hawaii, and Common Cause Hawaii.

Your Committee finds that public access to existing and proposed administrative rules is vital to encourage public participation in the government process and facilitate the shaping of effective rules. Establishing a reasonable maximum copying fee and requiring the posting of the rules in question on the internet will help to ensure public access.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1286                    Judiciary and Hawaiian Affairs on S.B. No. 1109**

The purpose of this bill is to provide lease management flexibility to the Board of Land and Natural Resources.

Testimony in support of this bill was received from the Board of Land and Natural Resources.

Your Committee finds that the provisions of this bill will provide the flexibility necessary for the efficient management of land leases by the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1287                    Judiciary and Hawaiian Affairs on S.B. No. 887**

The purpose of this bill is to increase the number of Circuit Court judges in the Fifth Circuit from one to two.

Testimony in support of this bill was received from the Judiciary and the Hawaii State Bar Association.

Your Committee finds that this bill will promote the efficient administration of the judicial system of the Fifth Circuit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Morita, Yoshinaga, Pendleton and Thielen.

**SCRep. 1288                    Judiciary and Hawaiian Affairs on S.B. No. 590**

The purpose of this bill is to provide uniform sentences upon a violation of a temporary restraining order, protective order, or restraining order upon divorce or annulment.

Testimony in support of this bill was received from the Office of the Prosecuting Attorney of the County of Hawaii, the Hawaii State Commission on the Status of Women, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse and Legal Hotline, the Department of the Prosecuting Attorney of the City and County of Honolulu, the State Attorney General, Child & Family Service, and the Honolulu Police Department. Additional testimony was received from the Judiciary and the Office of the Public Defender.

Your Committee finds that harassment is a serious issue of growing concern in the community. As such, streamlining and clarifying the procedures in the issuance of temporary restraining orders in cases involving harassment, is critical to the public safety of our citizens.

Your Committee has amended this bill by deleting its substance, and inserting therefor, the substance of H.B. No. 177, H.D. 1. Your Committee notes that H.B. No. 177, H.D. 1, passed out the House of Representatives earlier this session after a public hearing before this Committee. Amended provisions include:

- (1) Allowing the court to temporarily restrain a person named in the petition from harassing the petitioner upon a determination that there is probable cause to believe that a past act or acts of harassment have occurred or that a threat or threats of harassment may be imminent;
- (2) Deleting the requirement that the person has to have caused the petitioner substantial emotional distress for the court to impose a TRO;
- (3) Deleting the 15-day TRO time period and specifying that a TRO will remain in effect at the discretion of the court for a period not to exceed 90-days from the date the order is granted;
- (4) Specifying that a hearing on a TRO petition will be held within 15 days after it is granted;
- (5) Specifying that in the event that service has not been effected, the court may set a new date for the TRO hearing, only if the new date does not exceed 90-days from the date the TRO was granted;
- (6) Allowing the parties named to also give oral testimony relating to the alleged acts of harassment;
- (7) Defining "serve" as actual personal service, service by certified mail, or proof that the respondent was present at the hearing in which the court orally issued the injunction;
- (8) Clarifying that if the respondent has received:
  - (a) The temporary restraining or injunction order; or
  - (b) Notice of the temporary restraining or injunction order;
 and knowingly or intentionally violates the temporary restraining or injunction order, then the respondent will be penalized according to section 604-10.5(h), Hawaii Revised Statutes; and
- (9) Allowing the order issued to be served upon the chief of police of each county by:
  - (a) Regular mail;
  - (b) Facsimile transmission;
  - (c) Or other similar means of transmission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 590, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1289                      Judiciary and Hawaiian Affairs on S.B. No. 889**

The purpose of this bill is to permit the court to assess a fee not to exceed \$50 when issuing a bench warrant.

Testimony in support of this bill was received from the Judiciary.

Your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. 163, H.D. 2, which passed the House earlier this session. As amended, this bill:

- (1) Increases the jury duty service fee from \$30 to \$40 per day;
- (2) Increases the mileage fee for jury duty service from 33 cents to 37 cents per mile; and
- (3) Appropriates \$1 for the purposes of further discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 889, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1290                      Judiciary and Hawaiian Affairs on S.B. No. 901**

The purpose of this bill is to remove the repeal date for the judiciary computer system special fund, and to require the Judiciary to adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, relating to the fund.

Testimony in support of this bill was received from the Judiciary. Additional comments were received from the State Department of Budget and Finance.

Your Committee finds that the judiciary computer system special fund was established in 1996 to enable the Judiciary to upgrade its computer system. Your Committee further finds that such a task is ongoing and that a stable source of funding will allow the Judiciary to both plan and implement updates to the system, which will benefit the public by providing a more efficient and productive system.

Your Committee has amended this bill by:

- (1) Deleting the proposed amendments to Section 2 of Act 203, Session Laws of Hawaii 1996, leaving the repeal of the sunset date as the only amendment to Act 203, Session Laws of Hawaii 1996; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 901, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Morita, Yoshinaga, Pendleton and Thielen.

**SCRep. 1291                    Judiciary and Hawaiian Affairs on S.B. No. 921**

The purpose of this bill is to eliminate the requirement that multiple offenses be charged "through complaint or indictment" with respect to district court's concurrent jurisdiction with family court.

Your Committee received testimony from the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds a compelling need to assure that violators of decriminalized traffic offenses will comply with district court orders of default judgment for payment of fines. Your Committee finds that the creation of a violation where the cited individual fails to answer to the citation will allow the district court to issue a summons; if the summons is then ignored, the court may then issue a bench warrant. Consequently, this would address specifically individuals who ignore traffic citations.

Your Committee amended this bill by deleting its substance and inserting an amendment to Chapter 291C of the Hawaii Revised Statutes which creates a violation where any person fails to answer to a citation or a summons for a traffic violation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1292                    Judiciary and Hawaiian Affairs on S.B. No. 1421**

The purpose of this bill is to allow probation as a sentencing option for income tax offenses.

Testimony in support of the bill was received from the Department of Taxation, the Hawaii State Bar Association Tax Section, the Hawaii Society of Certified Public Accountants, and a member of the public. Additional testimony was received from the Tax Foundation of Hawaii.

Your Committee finds that current law requires mandatory sentencing of a fine, imprisonment, or both, but does not provide for probation. Your Committee believes that adding a probation option to the sentencing of tax offenders will assist in collection of delinquent taxes.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1421, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1293                    Judiciary and Hawaiian Affairs on S.B. No. 1462**

The purpose of this bill is to make the Office of Elections and the elections appointment panel permanent, and to require the panel to create a review program to establish standards for and evaluate the operation of elections and the performance of the chief election officer.

Your Committee received testimony in support of this bill from the Office of the Lieutenant Governor, Office of Elections and the League of Women Voters.

Your Committee finds that extending the sunset date of Act 27, Session Laws of Hawaii 1995 from June 30, 1999 to June 30, 2001, will accord the elections panel additional time to discuss and recommend substantive changes to Section 11-2.5, Hawaii Revised Statutes such as making the Office of Elections a separate and independent state department.

Your Committee has amended this bill by deleting its substance and incorporating provisions to:

- (1) Extend the sunset date for Act 27, Special Session Laws of Hawaii, 1995 to June 30, 2001; and
- (2) Change the effective date to June 29, 1999.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1462, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1462, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1294                      Judiciary and Hawaiian Affairs on S.B. No. 456**

The purpose of this bill is to appropriate funds to the Office of Hawaiian Affairs (OHA) to provide tuition waivers to Hawaiian students at the University of Hawaii (UH). Funds appropriated shall be credited against the State's obligation to pay OHA a pro rata share of ceded land revenues.

Testimony in support of this bill was received by the University of Hawaii and several private citizens. Additional testimony in support of this bill with amendments was received from the Office of Hawaiian Affairs, University of Hawaii Center for Hawaiian Studies, and several private citizens.

Additional comments on this measure were received from several private citizens. Your Committee was also provided with a copy of a petition in support of granting tuition waivers to native Hawaiian students.

Your Committee recognizes the special relationship that the Hawaiian people have with the State of Hawaii. As such, your Committee supports the concept of tuition waivers as an important means of providing access to post-secondary education for Hawaiians.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 456, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki and Yoshinaga.

**SCRep. 1295                      Judiciary and Hawaiian Affairs on S.B. No. 1086**

The purpose of this bill is to improve the effectiveness of processing violations to the State's boating laws and rules. This bill authorizes the Department of Land and Natural Resources (DLNR) to:

- (1) Establish and set the amount of administrative fines; and
- (2) Recover administrative costs or bring legal action to recover administrative fines, fees, and costs.

Granting this authority to DLNR will help to avoid the need for court proceedings regarding boating violations and related fines.

Testimony in support of this bill was received from the Board of Land and Natural Resources.

Currently, violations of boating laws and rules are primarily addressed through court proceedings, including criminal procedures. Many boating violations would be more effectively and expeditiously processed using administrative fines and related administrative adjudication. Utilizing administrative procedures will reduce the burden of processing boating violations.

Additionally, this bill proposes to require that all fines, fees, and costs, or recovered damages, be deposited into the Boating Special Fund. This would enable DLNR to recover the costs of investigating and processing violations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1296                    Judiciary and Hawaiian Affairs on S.B. No. 1089**

The purpose of this bill is to clarify statutory provisions relating to the issuance of commercial marine licenses by:

- (1) Providing the Department of Land and Natural Resources (DLNR) with the option of requiring catch reports of only certain licensees;
- (2) Authorizing DLNR to obtain other types of information from commercial marine licensees, thereby ensuring the gathering of more appropriate and useful information; and
- (3) Removing unnecessary or obsolete language from Chapter 189 "Commercial Fishing," Hawaii Revised Statutes.

Testimony in support of this bill was received from the Board of Land and Natural Resources and the Boat Owners Association of The State of Hawaii, Inc. (BOATS).

Your Committee finds that this bill will provide DLNR with greater flexibility in making critical changes to its administrative rules regarding commercial marine licenses and the associated reporting requirements.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1297                    Judiciary and Hawaiian Affairs on S.B. No. 607**

The purpose of this bill is to develop a commercial hunting industry by allowing nonresident aliens to bring firearms into the State for recreational purposes.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources, the Honolulu Police Department and the Hawaii Rifle Association.

Your Committee finds that there is a need to expand our visitor industry by developing niche markets such as recreational hunting. Your Committee believes that this measure provides the necessary safeguards to protect our citizenry while allowing residents of other states or foreign countries to participate in Hawaii's recreational shooting and game hunting events.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 607, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga and Thielen.

**SCRep. 1298                    Judiciary and Hawaiian Affairs on S.B. No. 1024**

The purpose of this bill is to:

1. List factors to be considered when determining civil and administrative penalties regarding the state water pollution law;
2. Allow the Department of Health to establish a permanent exempt position for an ecological risk assessor;
3. Add a new license category for environmental health services professionals; and,
4. Clarify certain provisions relating to the Department of Health.

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

Your Committee finds that provisions within this bill will promote consistency between the State Water Pollution law and Federal law. Your Committee also finds that provisions within this bill will help to ensure the proper use of money in the Environmental Response Revolving Fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1024, S.D. 3, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1299                    Judiciary and Hawaiian Affairs on S.B. No. 1058**

The purpose of this bill is to clarify and standardize provisions relating to the recovery of medical assistance payments by the Department of Human Services (DHS) in third-party liability situations.

Testimony in support of this bill was received from the State Department of Human Services. Additional testimony was received from the Consumer Lawyers of Hawaii.

Your Committee finds that the State Department of Human Services annually recovers approximately \$1,000,000 in reimbursements for medical assistance from third parties responsible for injuries suffered by medical assistance recipients. Such reimbursements help fund the medical assistance program.

Your Committee finds that there has been a steady increase in the number of pending third party liability cases, making direct State intervention or involvement impractical. Your Committee finds that this measure alleviates potential burdens upon the Department of Human Services and the taxpayers of the State, and fairly distributes the responsibility for attorney fees and costs incurred in the recovery of reimbursable funds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1300                    Judiciary and Hawaiian Affairs on S.B. No. 994**

The purpose of this bill is to ensure the continued protection and safety of dependent adults by creating the Elder and Dependent Adult Abuse Review Commission to review Hawaii's elderly and dependent adult protective services law and related administrative rules.

Testimony in support of this bill was received from the State Planning Council on Developmental Disabilities, Department of Human Services, Executive Office on Aging, Policy Advisory Board for Elder Affairs, and the City and County of Honolulu Department of the Prosecuting Attorney. The State of Hawaii Commission on Persons with Disabilities submitted comment on this bill, requesting that it be deleted as a representative on the proposed Elder Abuse Review Commission.

Your Committee finds that the establishment of an Elder and Dependent Adult Abuse Review Commission will provide a valuable tool for the comprehensive examination of existing law and issues surrounding the protection of Hawaii's elder and adult community.

Your Committee has amended this bill by:

- (1) Deleting the provision calling for a representative from the State of Hawaii Commission on Persons with Disabilities to serve on the Commission; and
- (2) Changing the due date of the Commission's report of findings and recommendations, and the date upon which the Commission shall cease to exist.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 994, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga and Thielen.

**SCRep. 1301                    Education on S.B. No. 550**

The purpose of this bill is to:

- (1) Return the responsibility of expenditure reporting for the Department of Education (DOE) from the State Auditor (Auditor) to the DOE; and
- (2) Require reports containing specific major functions and sub-functions which are at least equal to, if not better than, those provided through InSite software.

The Auditor testified in support of the bill. The Department of Education testified that while it agreed that the Auditor should not be reporting DOE's expenditures to the Legislature and Governor, it also believes that DOE's current information system provides information sufficient to meet its needs and those of the general public.

Your Committee finds that the reporting of another department's expenditures should not be a responsibility of the Auditor. DOE should be the entity responsible for reporting DOE's expenditures. Your Committee also finds that computer software such as InSite can provide extensive information about a school system without great costs.

Your Committee has amended this bill by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 550, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 550, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1302                    Education on S.B. No. 1276**

The purpose of this bill is to authorize the Board of Education to set the salary of the Superintendent of Education until July 1, 2004, when the Legislature shall set the salary.

The Board of Education (BOE) and the Hawaii State Teachers Association submitted testimony in support of the bill.

According to the BOE, the current \$90,041 salary of the Superintendent is inadequate because of the magnitude and complexity of the job. Nationally, it is not uncommon to find superintendents of school districts with enrollments of about 1,000 with salaries of about \$115,000 per year.

Authorizing the BOE to set the Superintendent's salary will improve its recruitment and retention efforts. Also, accountability can be promoted by lining salary with performance.

The BOE suggested deleting the five-year sunset of the bill, assuring the Legislature that it will act responsibly in setting the Superintendent's salary.

Your Committee agrees with the BOE and has amended the bill by:

- (1) Deleting the five-year sunset; and
- (2) Changing the effective date to the approval date rather than August 1, 1999.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1303                    Education on S.B. No. 1586**

The purpose of this bill is to:

- (1) Require athletics to be included in budgets for new public schools; and
- (2) Authorize the Board of Education to contract with attorneys independent of the Attorney General to provide legal services to the Department of Education regarding children with disabilities.

The Hawaii State Teachers Association submitted testimony in support of the bill.

The Department of Education and the Athletic Directors and Coaches Association submitted testimony in support of the portion of the bill relating to the inclusion of athletics in budgeting for new schools. The Department of Budget and Finance submitted testimony in opposition to this portion of the bill.

The Board of Education and the Department of the Attorney General submitted testimony in opposition to the portion of the bill relating to attorneys.

Your Committee finds that funding for athletics has been diluted among public high schools because athletics is not budgeted for new schools. Portions of funds budgeted for athletics at existing schools are directed to new schools to create athletics programs. As a result, athletics funding for existing schools are reduced.



Regarding the portion of the bill relating to attorneys, another bill, H.B. No. 510, H.D. 1, authorizes the Board of Education to employ its own attorneys. H.B. No. 510, H.D. 1, is still alive in the legislative process, having been approved earlier by the House of Representatives and more recently by the Senate Education Committee. Your Committee prefers the substance of H.B. No. 510, H.D. 1, to the portion of S.B. No. 1586, S.D. 2, that deals with attorneys.

Your Committee has amended this bill by:

- (1) Deleting the portion of the bill regarding attorneys; and
- (2) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1586, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1586, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1304                      Education on S.B. No. 1270**

The purpose of this bill is to remove an onerous and impractical requirement for the public schools by repealing the requirement that not less than half of the study and instruction in each school day in the first eight grades is devoted to language arts, and instead requiring compliance with statewide performance standards.

Your Committee is using this measure as a vehicle for another issue. This bill and its companion, H.B. No. 1086, both passed Third Reading in the chambers in which they were introduced and subsequently crossed over to the other chamber. By tradition, the companion measure that crosses over first becomes the vehicle for further consideration in the legislative process. Since H.B. No. 1086 crossed over first, it has become the vehicle for further consideration.

Earlier in the session, your Committee heard S.B. No. 1273, S.D. 2, entitled, relating to Criminal History Checks for Teacher Trainers. Testimony indicated that a portion of the bill dealing with criminal history checks for private school teachers was deleted by the Senate from the S.D. 1 version of the bill because of the limited scope of the title.

Your Committee believes that the deleted portion of the bill is important, and is using S.B. No. 1270 as a vehicle to advance it. Your Committee distributed a proposed draft of S.B. No. 1270, S.D. 1, H.D. 1, which deleted the contents of S.B. No. 1270, S.D. 1, and inserted language allowing private schools to develop procedures to perform criminal history checks. Testimony was received on this draft bill.

The Hawaii Association of Independent Schools and the Attorney General testified in support of the draft bill.

At this time, private schools are not receiving criminal history records from the Federal Bureau of Investigation (FBI). The Attorney General testified that the FBI will not release national criminal history record information to a non-governmental agency. Public agencies may not serve as a conduit for information from the FBI to private schools because, according to the Attorney General, the State Constitution prohibits the use of public funds to benefit private educational institutions. Since public funds are used to fund state personnel, they may not provide FBI information to private schools.

The Hawaii Association of Independent Schools testified that private schools in Hawaii are using private investigative agencies to gather criminal history records from the mainland. However, the information from private sources is relatively expensive and may be incomplete.

Your Committee is concerned because private schools are not able to access criminal history record information from the FBI. This is a health and safety matter, not an educational matter, that affects students who attend private schools.

The Hawaii Association of Independent Schools testified that it will pursue this matter further, with the intent of perhaps proposing a bill next session. Your Committee supports this effort.

Your Committee has amended S.B. No. 1270, S.D. 1, by deleting its contents and inserting language authorizing private schools to develop procedures to perform criminal history record checks.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1270, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1270, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 1305                      Education on S.B. No. 425**

The purpose of this bill is to increase state revenue through fees by:

- (1) Authorizing the Department of Education (DOE) to charge fees for after-school and weekend programs; and
- (2) Setting a formula for financing the adult and community education program at one-half from fees and one-half from the appropriation of public funds.

The bill also authorizes towing companies to charge a fee for road clean-up.

The Department of Commerce and Consumer Affairs submitted testimony in support of the provisions prohibiting tow operators from assessing charges other than those explicitly authorized by statute.

The DOE submitted testimony in opposition to the provisions setting the formula for financing the adult and community education program. According to DOE, a fee increase will jeopardize the approximately \$1.3 million the program currently receives in federal funds because tuition fees are not allowed to be counted as part of the state's maintenance of effort.

The Hawaii Insurers Council and an individual submitted comments on the bill.

Your Committee agrees with the DOE and has amended the bill by:

- (1) Deleting the funding formula for financing the adult and community education program;
- (2) Reflecting the revision to the bill in the purpose section; and
- (3) Making technical, nonsubstantive revisions for style and clarity and to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 3, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 425, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1306                      Tourism on S.B. No. 775**

The purpose of this bill is to prohibit activity desks from receiving unauthorized compensation as a condition for selling the goods or services of a specific activity provider more than another by allowing activity providers to bring suit against either an activity desk or activity provider to enjoin them from making or receiving unauthorized payments, allowances, rebates, refunds, commissions, or unearned discounts that are not available to other activity desks upon like terms or conditions.

The Department of Commerce and Consumer Affairs, the Hawaii Activities and Tours Association, and the Activity Owners Association of Hawaii commented on this measure.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 775, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1307                      Labor and Public Employment on S.B. No. 951**

The purpose of this bill is to:

- (1) Authorize the University of Hawaii (UH) and the Department of Education (DOE) to establish custodial accounts for their employees;
- (2) Authorize UH and the DOE to make periodic salary withholdings for deposit into those accounts; and
- (3) Immunize UH, DOE, and the State from investment liability.

The DOE, UH, the Hawaii State Association of Life Underwriters, the Hawaii State Teachers Association, and the University of Hawaii Professional Assembly testified in support of this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2001; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, S.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as S.B. No. 951, S.D. 1, H.D. 1, and be referred to the Committees on Higher Education and Education.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Hiraki and Okamura.

**SCRep. 1308 Labor and Public Employment on S.B. No. 825**

The purpose of this bill is to promote the practice of breastfeeding in public accommodations and places of work by:

- (1) Providing an income tax credit for employers who provide a specific place for the sole purpose of breastfeeding or expressing milk;
- (2) Authorizing employers to provide employees with up to one unpaid hour per working day to breastfeed or express milk; and
- (3) Specifying that it is a discriminatory practice to restrict or limit the right of a woman to breastfeed a child in a place of public accommodations.

The Hawaii State Commission on the Status of Women, Mothers Care, Kapi'olani Medical Center for Women and Children, Catholic Charities Family Services, Kokua Kalihi Valley, Hawai'i Nurses' Association, the Hawaii Chapter of the American Academy of Pediatrics, the Hawaii Medical Association, Healthy Mothers, Healthy Babies, and several individuals testified in support of this measure. The Department of Health and the Hawaii Civil Rights Commission testified in support of the intent of this measure. The Tax Foundation of Hawaii commented on this measure. The Department of Taxation testified in opposition to this measure.

Your Committee believes that providing opportunities for mothers to breastfeed in public accommodations and places of work will encourage this practice, which will result in many health, economic, and personal benefits for babies, mothers, and the community.

Upon consideration, your Committee has amended this bill by:

- (1) Deleting the provision relating to the income tax credit;
- (2) Changing the effective date of the bill to September 15, 2001; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 825, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 825, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1309 Labor and Public Employment on S.B. No. 1300**

The purpose of the bill is to make an emergency appropriation to return to the federal government the federal share of health insurance rate credits and rebates received by the State.

Testimony in support of the bill was submitted by the Hawaii Health Systems Corporation. Comments on the bill were submitted by the Department of Budget and Finance.

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

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1300, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1310 Labor and Public Employment on S.B. No. 366**

The purpose of this bill is to amend the composition of the Employer-Union Trust Concept Committee and to extend the scope of its mandated purpose.

The Hawaii State Teachers Association - Retired, the Hawaii Government Employees Association, and the Hawaii State Teachers Association testified in support of the measure. The Department of Budget and Finance supported the intent of the measure.

Your Committee notes that this bill is similar to H.B. No. 104, H.D. 1, which was passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance. Your Committee has amended this bill by:

- (1) Inserting the language from H.B. No. 104, H.D. 1; and
- (2) Changing the effective date to August 1, 2001.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 366, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 366, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.  
(Representative Rath voted no.)

**SCRep. 1311 Labor and Public Employment on S.B. No. 1137**

The purpose of this bill is to broaden the definition of those eligible as "dependent-beneficiaries" to include:

- (1) Unmarried children under age 24 who are full-time students; and
- (2) Unmarried children, regardless of age, who are incapable of self-support due to a mental or physical incapacity that existed prior to the child's reaching age 19.

The bill also provides that employees are required to enroll only unmarried children in the dental plan.

The Hawaii State Teachers Association-Retired, the Hawaii State Commission on the Status of Women, and several individuals testified in support of this measure. The Department of Budget and Finance supported the measure so long as additional or incremental costs are covered by the employees.

Your Committee has amended the measure by:

- (1) Changing the effective date to June 1, 2000; and
- (2) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1137, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.  
(Representative Rath voted no.)

**SCRep. 1312 Labor and Public Employment on S.B. No. 1290**

The purpose of this bill is to offer medical benefits to part-time, temporary, and seasonal or casual public employees at no cost to the employer.

The Department of Budget and Finance testified in support of this measure. The Department of Education supported the measure, if no additional work requirements or costs will be incurred in implementation.

Your Committee notes that this bill is similar to H.B. No. 1044, H.D. 1, which was passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance. Your Committee has amended this bill by:

- (1) Changing from July 1, 2000, to September 1, 2000, the date from which the benefits will be offered; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 1313 Labor and Public Employment on S.B. No. 211**

The purpose of this bill is to extend from June 30, 1999, to June 30, 2001, the bonus originally granted to retirants of the Employees' Retirement System under Act 339, Session Laws of Hawaii 1990, and to appropriate funds therefor.

The Hawaii State Teachers Association - Retired, the Coalition of Hawaii State/Counties Retirees, Inc., the Hawaii State Teachers Association, and the Hawaii Government Employees Association testified in support of the measure. The Employees' Retirement System and the Oahu Retired Teachers Association commented on the measure. The Department of Budget and Finance opposed the measure.

Your Committee finds that extending the bonuses for two more years will help retirees living on fixed incomes cope with the rising cost of living in Hawaii.

Your Committee notes that this bill is similar to H.B. No. 98, H.D. 1, that was passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance. Your Committee has amended this bill by:

- (1) Inserting the language from H.B. 98, H.D. 1; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 211, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 211, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1314                      Labor and Public Employment on S.B. No. 1281**

The purpose of this bill is to allow the Board of Trustees of the Employees' Retirement System (ERS) to appoint an assistant administrator and a chief investment officer.

The ERS supported the bill with recommended amendments.

Your Committee notes that this bill is similar to H.B. No. 1035, H.D. 1, that was passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance. Your Committee has amended this bill by:

- (1) Inserting the language from H.B. No. 1035, H.D. 1; and
- (2) Changing the effective date of the bill to August 1, 2001.

By restoring the language of H.B. No. 1035, H.D. 1, the bill will also require the Attorney General to serve as legal advisor to the Board of Trustees.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1315                      Labor and Public Employment on S.B. No. 1282**

The purpose of this bill is to authorize the Employees' Retirement System (ERS) to invest in real estate directly or through limited liability companies (LLC).

The ERS testified in support of this bill with proposed revisions.

Your Committee notes that this bill is similar to H.B. 1036, H.D. 2, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

Your Committee finds that LLCs provide advantages to investors, such as:

- (1) Elimination of federal and state tax;
- (2) Centralized management; and
- (3) Limited liability for its owners.

Allowing the ERS to invest in LLC and other similar entities, will provide different avenues of investment while limiting the ERS's liability from personal injury and property damage lawsuits.

Your Committee has amended this bill by:

- (1) Changing its effective date to August 1, 2001; and

- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1316 Labor and Public Employment on S.B. No. 1544**

The purpose of this bill is to allow deputy sheriffs of the Department of Public Safety (PSD) to retire without penalty after 25 years of service, if the last five or more years prior to retirement is credited service in that capacity.

The Hawaii Government Employees Association and a deputy sheriff testified in support of the intent of the bill and suggested amendments. The Department of Budget and Finance testified in opposition to the bill. The Employees' Retirement System and a deputy sheriff submitted comments on the bill.

Upon further consideration, your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 499, H.D. 2 and H.B. No. 1416, H.D. 2. Your Committee notes that both H.B. No. 499, H.D. 2 and H.B. No. 1416, H.D. 2, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance. As amended, this bill:

- (1) Gives current deputy sheriffs of the PSD and conservation and resources law enforcement officers of the Department of Land Natural Resources the option of converting from class C to class A members of ERS;
- (2) Allows current deputy sheriffs and conservation and resources law enforcement officers to retire after 25 years of service irrespective of age; and
- (3) Requires deputy sheriffs and conservation and resources law enforcement officers hired after June 30, 1999, be class A members.

Your Committee finds that deputy sheriffs and conservation and resources law enforcement officers are commissioned with full police powers, and therefore are entitled to the same retirement benefits as other law enforcement officials.

Your Committee notes that clarification and education may be needed for employees who are unaware that by re-entering class A membership, they are required to "buy back" their years of service. For example, if an employee had 10 years of service, none of which were in class A, and chooses to enter class A, that individual would have to independently pay for 10 years of contributions.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1544, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1544, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1317 Labor and Public Employment on S.B. No. 1155**

The purpose of the bill is to extend the already-existing authority of the State Librarian to administratively reallocate vacant positions and to establish temporary positions.

Testimony in support of the measure was submitted by the Department of Education and two individuals from the Hawaii State Public Library System.

Your Committee has amended the bill by:

- (1) Changing the effective date to June 29, 2001; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1155, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1155, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 1318 Transportation on S.B. No. 1557**

The purpose of this bill is to permit visual monitoring only of storm water runoff by motor carriers that are required to be monitored by statute.

Your Committee finds that motor carriers are currently required to undergo laboratory analysis of storm water runoff to monitor pollution discharge, resulting in a time burden and a substantial expense. Your Committee further finds that the Environmental Protection Agency (EPA) has determined that motor carrier operations do not pollute storm water sufficiently to warrant laboratory analysis of its contents.

This bill proposes to permit the monitoring of storm water runoff from motor carriers or private carriers of property by visual observation of color, odor, turbidity, floating solids, foam, oil, sheen, and other obvious indicators of storm water pollution, with no laboratory tests required. The proposed bill for storm water runoff monitoring would bring Hawaii in conformity with the practice in most other states, and with EPA requirements, applying visual monitoring, rather than laboratory analysis, of water samples.

Testimonies in support of this bill were received from the Hawaii Transportation Association and American Trucking Associations.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557 and recommends that it pass Second Reading and be referred to the Committee on Energy and Environmental Protection.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Okamura and Yoshinaga.

**SCRep. 1319                      Transportation on S.B. No. 676**

The purpose of this bill is to increase the gross vehicle weight rating for a category 3 license and a category 4 license.

Your Committee on Transportation finds that this amendment will be beneficial for small businesses. As commercial vehicles are now able to carry heavier loads with minimal increases in size, this amendment recognizes that people with category 3 and category 4 licenses are able to operate heavier vehicles safely.

This bill proposes to permit the holder of a Type 3 driver's license to drive a motor vehicle with a gross vehicle weight rating of up to 15,000 pounds and the holder of a Type 4 license to drive a motor vehicle with a gross vehicle weight rating of 15,001 to 26,000 pounds.

Testimonies in support of this bill were received from the Hawaii Transportation Association and Ryder Transportation Services.

Your Committee has amended this bill by deleting its contents and replacing it with the contents from H.B. 11, its companion bill. This reduces the proposed vehicle weight rating for a Type 3 license from 15,000 pounds to a maximum of 12,000 pounds and for a Type 4 license from 15,001 pounds to a minimum of 12,001 pounds.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 676, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 676, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Okamura and Yoshinaga.

**SCRep. 1320                      Transportation and Education S.B. No. 1250**

The purpose of this bill is to allow the use of vehicles other than school vehicles when transporting student groups to and from school-related events and activities.

Testimonies in support of this bill were received from the Chamber of Commerce of Hawaii, Trans Hawaiian Services, International Management Services, Inc., PREVENT Child Abuse Hawaii, and numerous teachers and concerned private citizens. The Hawaii State Teachers Association supported the intent of this bill. Testimonies in opposition to this bill were received from the Department of Transportation, the Department of Education, the Hawaii Association of Independent Schools, Gomes School Bus Services, Ltd., A-Z Bus Sales, Inc., and numerous teachers and concerned citizens. The Hawaii Transportation Association submitted comments pertaining to the safety of motor coaches.

Your Committees have amended this bill by using the contents of Section 28-181, subsection (b), Hawaii Revised Statutes, instead of subsection (e) of the same section. This measure no longer exempts athletic teams, but it does restrict the use of tour buses to high-school groups. The bill has been further amended to allow the use of motor coaches that seat more than 25 passengers, have a gross vehicle weight rating of at least 26,000 pounds, and are not older than 15 years old. Once put into effect, this measure will be repealed on July 1, 2002.

As affirmed by the records of votes of the members of your Committees on Transportation and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1250, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Arakaki, Okamura, Santiago, Stegmaier and Yoshinaga.  
(Representative Catalani voted no.)

**SCRep. 1321                      Education on S.B. No. 46**

The purpose of this bill is to provide schools with maximum flexibility to prepare and execute their operating budgets by providing schools with earlier knowledge of the Department of Education's (DOE) proposed school-by-school allocation.

Specifically, this bill:

- (1) Requires the DOE to provide the schools and the Legislature, by the opening day of each regular legislative session, reports on its proposed school-by-school budget allocation;
- (2) Requires the DOE to submit an annual school-by-school budget report;
- (3) Requires each school, prior to the beginning of each school year, to submit to the DOE expenditure reports for the previous fiscal year; and
- (4) Provides maximum flexibility to each school over the funds designated to the school, to the extent allowed for each type of funding, to achieve instructional program goals.

The Hawaii State Teachers Association testified in support of the concept of the bill, provided that there are clearly developed processes which ensure that the budgeting process is open, democratic, and collaborative, and that teachers shall share in the decisions regarding school-based budgeting using a mechanism established by the principals and teachers and understood by all.

While the DOE testified in support of the intent to provide greater budget flexibility for schools, it expressed concerns that the bill imposes additional accounting and report preparation tasks on schools. The bill does not give schools increased funding for the additional reports that will be required.

A concerned individual opposed the bill, testifying that workloads at the school level should not be increased.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 46, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1322                      Judiciary and Hawaiian Affairs and Public Safety and Military Affairs on S.B. No. 585**

The purpose of this bill is to make a third offense of sexual assault in the fourth degree a class C felony; to require mandatory sex offender assessment and/or treatment; and to require a mandatory minimum prison sentence.

Your Committees received testimony in support of this bill from the Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu, and concerned individuals. Testimony in opposition to this bill was received from the Office of the Public Defender.

Your Committees find that sex offenders will often begin with offenses that are classified as sexual assault in the fourth degree. This measure is intended to ensure that the sex offenders with a pattern of misdemeanor offenses will receive appropriate treatment to deter them from continuing to commit such crimes.

Your Committees have amended this bill by deleting its substance and inserting provisions requiring a defendant to participate in a sex offender assessment and if recommended based on the assessment, sex offender treatment upon conviction of the offense of Sexual Assault in the Fourth Degree where the defendant has been convicted for this offense on at least three prior and separate occasions within the past three-year period from the present offense.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 585, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Hiraki, Lee, Morita, Yoshinaga, Pendleton and Whalen.

**SCRep. 1323                      Judiciary and Hawaiian Affairs on S.B. No. 1158**



The purpose of this bill is to appropriate funds out of the Victim Compensation Special Fund for payments authorized by the Crime Victim Compensation Commission.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu, the Crime Victim Compensation Commission, and the Sex Abuse Treatment Center.

Your Committee finds that this measure is necessary to compensate victims who have received awards from the Crime Victim Compensation Commission to reimburse them for losses they suffered because of their victimization.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga and Thielen.

**SCRep. 1324                    Judiciary and Hawaiian Affairs on S.B. No. 680**

The purpose of this bill, which would take effect after January 2, 2000, is to prohibit the import, sale, and use of fireworks unless permitted by county ordinance except for religious or cultural purposes and public display.

Your Committee received testimony in support of this bill from the Hawaii Medical Association, the American Lung Association, and concerned individuals. Comments were received from the Honolulu Police Department, the Office of the Public Defender, and the Legislative Information Services of Hawaii.

Your Committee finds that the enactment of the existing statutory provisions had preempted the county governments from regulating fireworks. In light of the widespread and increased use of fireworks in recent years, your Committee finds that permitting the counties to further regulate the use of fireworks through the issuance of certificates of use is prudent and reasonable.

Your Committee amended this bill by deleting its substance and inserting provisions that:

- (1) Allow the counties to regulate the use of non-aerial common fireworks through the issuance of certificates of use; and
- (2) Establish a misdemeanor offense to possess, purchase, set off, ignite, or discharge aerial common fireworks without a license or permit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 680, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 680, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Hiraki, Kaho'ohalahala, Morita, Yoshinaga, Pendleton and Thielen.

**SCRep. 1325                    Judiciary and Hawaiian Affairs on S.B. No. 1101**

The purpose of this bill is to clarify procedures to protest contract awards under the procurement code.

Testimony in support of this bill was received from the Department of Accounting and General Services.

Your Committee finds that these housekeeping measures are necessary for the administration of the procurement process.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1101, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1326                    Judiciary and Hawaiian Affairs on S.B. No. 1635**

The purpose of this bill, as received by your Committee, was to reconvene the joint legislative committee to study and make recommendations on resolving issues related to the public land trust, and to appropriate unspecified dollar amounts for the ceded land payments to the Office of Hawaiian Affairs.

Testimony in support of this bill was received from the Office of the Attorney General.

Testimony in opposition to this bill was received from the Office of Hawaiian Affairs, Hawaiian Political Action Council of Hawaii, and several private citizens. Additional comments were submitted by the Department of Hawaiian Home Lands.

Your Committee finds that the timely settlement of ceded land issues is of great importance to both the State and the Hawaiian community. To facilitate that settlement both parties must have access to information necessary in arriving at an equitable settlement.

Your Committee has amended this bill by deleting its substance and inserting provisions to accomplish the following:

- (1) Establish a new joint committee to study and make recommendations on all outstanding issues relating to the public land trust;
- (2) Requiring the joint committee to report 20 days prior to the legislative sessions of 2000 and 2001;
- (3) Authorize the auditor to complete a comprehensive inventory and mapping database of all lands within the public land trust and the lands currently subject to Section 5(f) of the Admission Act; and
- (4) Appropriating necessary funds to cover the expenses incurred by the joint committee and the auditor.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1635, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1327                      Judiciary and Hawaiian Affairs on S.B. No. 1050**

The purpose of this bill is to clarify the Child Protective Act and to bring it into compliance with the federal Adoption and Safe Families Act of 1997.

Testimony in support of this bill was received from the Department of Human Services.

Your Committee finds that this bill will assist in expediting permanency for children in foster care.

Your Committee has amended this bill by:

- (1) Deleting language that would prevent the Department of Human Services from filing a motion to set a permanent plan hearing in cases where the child is being cared for by a relative and the court has determined that this is the most appropriate placement for the child; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity and to correct a technical drafting error.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1050, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1328                      Judiciary and Hawaiian Affairs on S.B. No. 568**

The purpose of this bill is to facilitate the proper and culturally sensitive handling of burial sites throughout the state.

Testimony in support of this bill was received from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Green Party, Hawaii's Thousand Friends, Hui Malama I Na Kupuna O Hawaii Nei, and several private citizens.

Testimony expressing the need for specific revisions to this bill was received from the Land Use Research Foundation of Hawaii, Kamehameha Schools Bernice Pauahi Bishop Estate, Hawaii Leeward Planning Conference, and several private citizens.

Your Committee finds that there exists a real need to facilitate the appropriate treatment of burial sites throughout the state. These sites represent a valuable link to the history and culture of this special land and its native people.

Your Committee has amended this bill by:

- (1) Deleting the definition of and all references to a burial specialist;
- (2) Amending the definition of heiau;
- (3) Deleting the provision for forfeiture of land; and

- (4) Increasing the maximum fine per violation to \$25,000.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 568, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga and Thielen.

**SCRep. 1329                    Judiciary and Hawaiian Affairs on S.B. No. 646**

The purpose of this bill, as received by your Committee, is to improve government operations by reducing the cost of copying government records, expand the powers of the Barbers Point NAS Redevelopment Commission, expand the responsibilities of the Stadium Authority to include Kapolei Recreational Sports Complex, and to create the Kapolei special fund.

Your Committee received testimony in support of this bill from the State Department of Transportation, Department of Hawaiian Home Lands, Office of Information Practices, the Stadium Authority, and the Barbers Point Naval Air Station Redevelopment Commission.

Your Committee finds that this bill is an appropriate vehicle for provisions enabling the Department of the Attorney General to assist all state agencies in pursuing delinquent debts owing to the State. Your Committee finds that allowing the Department of the Attorney General to assess state agencies attorney fees and costs for collection efforts will provide the revenue necessary to effect the collection of the aforementioned delinquent debts.

Your Committee finds that the imminent turnover of the Barbers Point Naval Air Station (BPNAS) from the federal government requires that the BPNAS Redevelopment Commission be fully prepared to handle the transition to civilian use with minimal delay.

Your Committee finds that the proposed measures regarding the Kapolei Recreational Sports Complex and the special fund will promote the efficient management and maintenance of the Kapolei Recreational Sports Complex.

Your Committee has amended this bill by:

- (1) Adding provisions allowing the Department of the Attorney General to charge state agencies attorney fees and costs incurred in the collection of delinquent debts owed the State;
- (2) Deleting the cost of reproducing government records;
- (3) Deleting the effective date of the Act; and
- (4) Creating a two year sunset date for the provisions noted in (1) above.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 646, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1330                    Human Services and Housing and Health on S.B. No. 856**

The purpose of this bill is to reorganize and streamline adult residential care facilities by:

- (1) Consolidating and providing uniform regulation of various adult residential care facilities;
- (2) Promoting parity of reimbursement for services provided; and
- (3) Implementing a statewide initial information and referral screening process using a uniform assessment tool.

The Executive Office on Aging (EOA), the Hawaii Long Term Care Association, the Alliance of Residential Care Administrators, the Healthcare Association of Hawaii, the Hawaii Nurses' Association, and the Policy Advisory Board for Elderly Affairs testified in support of this measure. The State Planning Council on Developmental Disabilities, the Departments of Health (DOH) and Human Services, and the Arc in Hawaii testified in support of the intent of this measure.

Your Committees find that this measure correctly addresses many of the problems involving the organization and regulation of long term residential care facilities in Hawaii.

Your Committees have amended this measure by:

- (1) Broadening the definitions of:

- (A) Adult foster home for persons with developmental disabilities;
  - (B) Developmental disabilities domiciliary home;
  - (C) Expanded adult foster home for persons with developmental disabilities; and
  - (D) Expanded developmental disabilities domiciliary home;
- to make these facilities more inclusive and less restrictive;
- (2) Broadening the second facility category of adult residential care facilities by deleting reference to "nursing facility level" care;
  - (3) Ensuring that the uniform initial information and referral screening tool be developed by EOA rather than developed by the Single Point Coordinating Committee which convened in December, 1996;
  - (4) Inserting language reflected in H.B. No. 552, H.D. 1, which establishes the Adult Residential Care Home (ARCH) Personal Injury and Property Damage Compensation Special Fund to compensate the operators of ARCHs and other persons for personal injuries and property damage caused by residents who are placed in ARCHs by the State;
  - (5) Inserting language reflected in H.B. No. 644, H.D. 2, which requires DOH to stop licensing new Type I ARCHs on any island until the percentage of ARCH vacancies falls below 10 percent on that island, but allows licensing on a case-by-case basis on neighbor islands that demonstrate a need for ARCHs; and
  - (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 856, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 856, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives McDermott and Pendleton.

**SCRep. 1331 Human Services and Housing on S.B. No. 1519**

The purpose of this bill is to prevent eviction and homelessness by:

- (1) Requiring assisted housing development owners to give a one-year notice to tenants if the owner is going to terminate a subsidy contract or mortgage prepayment;
- (2) Giving tenants or nonprofit organizations opportunities to purchase the development if the owner of the development has not given notice to sell prior to July 1, 1999; and
- (3) Authorizing general obligation bonds to the Rental Housing Trust Fund (Trust Fund) to encourage the development and availability of low income rental housing.

The Legal Aid Society of Hawaii, Hawaii Investors for Affordable Housing, the Affordable Housing and Homeless Alliance, and the Hawaii Catholic Conference testified in support of this measure. The Housing and Community Development Corporation of Hawaii and one individual commented on this measure.

More than 3,000 Hawaii households now have affordable rent through the U.S. Department of Housing and Urban Development (HUD) project-based Section 8 program. In this program, HUD directly subsidizes buildings, which are owned by private entities. Originally subsidized for a term of twenty years, every unit in these buildings are now at risk of converting to market rate rent due to HUD's yearly contract renewals, shrinking subsidies, and the Mark to Market program.

Your Committee finds that since the twenty-year commitment has expired, more and more owners are putting their units up for sale or converting them to market rate rent. This action is displacing many elderly and low-income individuals into homelessness.

Your Committee acknowledges that extending a one year's notice upon termination of a subsidy contract or mortgage prepayment is not the answer to this problem, rather, more affordable rental housing is needed. However, this measure goes a long way toward supporting tenants' efforts to preserve the affordability of their homes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1519, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1332 Ocean Recreation and Marine Resources on S.B. No. 1321**

The purpose of this bill is to facilitate and support the research and development of open ocean mariculture by clarifying statutes dealing with the leasing of state marine waters for aquaculture and mariculture purposes.

Testimony in favor of this bill was submitted by the Department of Business, Economic Development, and Tourism, the Department of Agriculture (DOA), DLNR, the University of Hawaii's Sea Grant College Program, Black Pearls Inc., Mahalo Kai Fishing, the Hawaii Aquaculture Association, and several concerned commercial fishers. The Office of Hawaiian Affairs opposed this measure. The Environmental Center of the University of Hawaii and Kamehameha Schools/Bishop Estate expressed concerns regarding specific provisions within the bill.

Your Committee has amended this bill by:

- (1) Requiring DLNR, prior to the granting a lease for a proposed activity, to take the existing uses of the State marine waters into detailed consideration;
- (2) Limiting the number of state marine water leases that may be granted by DLNR to 10;
- (3) Requiring DLNR, in conjunction with DOA, to submit a report of the actions and progress undertaken with regard to this bill to the Legislature prior to each regular session;
- (4) Clarifying that all references to "submerged lands" within the bill refers to state submerged lands; and
- (5) Making technical, nonsubstantive changes for the purpose of style and clarity.

Your Committee finds that this measure will clarify existing statutes dealing with the leasing of state marine waters and encourage both public and private interests to invest in open ocean mariculture within the State.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1321, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1321, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kanoho and Meyer.

**SCRep. 1333 Judiciary and Hawaiian Affairs on S.B. No. 931**

The purpose of this bill is to replace the current state wiretapping and electronic surveillance law with its federal counterpart.

Your Committee received testimony in support of this bill from the Department of the Attorney General, Department of the Prosecuting Attorney, City and County of Honolulu, Department of the Prosecuting Attorney, County of Hawaii and the Honolulu Police Department. Testifying in opposition to this bill was the Office of the Public Defender.

The use of wiretaps and electronic surveillance can provide law enforcement with valuable information and evidence which may be used in the prevention or prosecution of criminal acts or to exonerate persons under investigation. Such information may not be obtainable through any other means.

The benefits of increased surveillance must be balanced against fundamental individual rights however, such as the right to privacy and the right to a fair trial. Currently, Hawaii law provides its people with significant individual protections.

Your Committee finds that the best way to maintain a balance between these two interests is to adopt certain distinct features of federal law while preserving the strong individual protections existing in Hawaii's current law.

Accordingly, your Committee has amended this bill as follows:

- (1) By requiring that applications for wiretaps specify how the wiretap is to be conducted, whether physical entry upon private premises is necessary and support therefore;
- (2) By requiring an adversary hearing prior to the approval of a wiretap;
- (3) By preserving existing safeguards concerning the methods of targeting communications or conversations;
- (4) Allowing only the Attorney General or the Prosecutor of each County to authorize emergency wiretaps;
- (5) Changing the time in which the prosecutor must notify the defense of the intercepted communications and application material from ten days prior to trial or hearing to thirty days;

- (6) Removing the discretion of judges to allow discovery of intercepted communications and application material and require disclosure of the same;
- (7) Eliminating those provisions creating a surveillance applications oversight unit within the Department of the Attorney General and related provisions establishing funding mechanisms; and
- (8) Incorporating other non-substantive amendments for purposes of style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1334                      Judiciary and Hawaiian Affairs on S.B. No. 1345**

The purpose of this bill, as received by your Committee, is to provide for an increase in judicial salaries over two years, and change the retirement provisions for judges entering or reentering service after June 30, 1999.

Testimony in support of this bill was received from the Judiciary, the State Employees' Retirement System, the Hawaii State Bar Association, the United Public Workers, the Hawaii Government Employees Association, the Hawaii State Teachers Association, and a few concerned individuals.

Your Committee finds that Hawaii's judges have not had an increase in salary since 1990. Your Committee finds that adequate and equitable compensation is required to attract and retain experienced and qualified attorneys to serve as justices and judges in state courts.

Your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. 20, H.D. 2, which passed the House earlier this session. As amended, this bill:

- (1) Increases judicial salaries by an unspecified amount on July 1, 1999, and on July 1, 2000;
- (2) Eliminates the early retirement provision for judges, including the provision allowing judges to retire whenever the member's allowance reaches 75 percent of the member's average final compensation; and
- (3) Ensuring that changes to the early retirement provision will not adversely affect the accrued rights of current judges as of June 30, 1999, and individuals who are or were members of the Employees' Retirement System and who accrued benefits as judges before July 1, 1999.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1345, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.  
(Representative Thielen voted no.)

**SCRep. 1335                      Judiciary and Hawaiian Affairs on S.B. No. 1168**

The purpose of this bill is to streamline the process by which a person possessing a valid commercial driver's licences issued by other, specified jurisdictions may obtain a Hawaii commercial driver's license.

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

Your Committee finds that waiving the knowledge and skills test for persons who hold a valid commercial driver's license issued in a jurisdiction which requires that person to have met the minimum federal standards will not detract from safety on Hawaii's roadways.

Your Committee has amended this bill by making technical, non-substantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1168, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1336                      Culture and the Arts and Higher Education on S.B. No. 1185**

The purpose of this bill is to postpone from June 30, 1999, to June 30, 2004, the changeover in management over the state aquarium.

Act 187 (SLH 1997) stipulates that the transfer of the management of the state aquarium from the University of Hawaii to a non-profit corporation occur before June 30, 1999. Negotiations toward a management agreement between the University of Hawaii and the Friends of the Waikiki Aquarium have been stalled due to the proposal to relocate the state aquarium to Kakaako. It is unlikely that the Kakaako aquarium issue will be resolved before June 30, 1999.

The director of the Waikiki Aquarium testified in support of the version of House Bill 314 (heard previously by your Committees), which allows the current management arrangements at the state aquarium to continue indefinitely.

Your Committees have amended the bill by:

- (1) Deleting the deadline date for the changeover in management over the state aquarium.
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Culture and the Arts and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1185, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1185, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Okamura, Santiago and Leong.

**SCRep. 1337                      Health on S.B. No. 779**

The purpose of this bill is to implement Act 9, Session Laws of Hawaii 1997, authorizing dental hygienists to administer intra-oral block anesthesia, by:

- (1) Educational requirements for the administration of infiltration local anesthesia and intra-oral block anesthesia; and
- (2) Documentation to the board of certification in the administration of these procedures.

The Hawaii Dental Association (HDA) and many individuals testified in support of this measure. Many individuals testified in opposition to this measure. The Department of Commerce and Consumer Affairs (DCCA), the Hawaii Dental Hygienists' Association (HDHA), and the Board of Dental Examiners (Board) commented on this measure.

There was a great deal of debate about limiting the administration of anesthesia only to services within the scope of clinical dental hygiene. Proponents of this recommendation testified that this would safeguard against children and the elderly. Although the House Committee on Consumer Protection and Commerce (CPC) has already deemed that, based on Section 447-3(b), Hawaii Revised Statutes, limiting administration of anesthesia only to the practice of dental hygiene is "unduly restrictive", your Committee respectfully requests CPC to re-examine this issue and determine, in the context of protecting children and the elderly, if this suggestion is warranted.

Your Committee further requests CPC to review the legislative history of authorizing dental hygienists to administer intra-oral block anesthesia to determine if this and other issues have been adequately deliberated.

Your Committee has amended this measure by deleting its substance and replacing it with language from H.B. No. 324, H.D. 2, because this language:

- (1) Repeals the Act upon adoption of rules by the Board; and
- (2) Was reviewed and supported by HDA, DCCA, and HDHA.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.  
(Representatives Kahikina, Leong and McDermott voted no.)

**SCRep. 1338                      Energy and Environmental Protection on S.B. No. 96**

The purpose of this bill is to support the use of solar energy devices by allowing individuals to install and site solar energy devices for optimal efficiency on any single-family residential dwelling or townhouse, including the townhouse roof that may be a common area.

The Department of Business, Economic Development, and Tourism, the Sierra Club, Hawaii Chapter, and the Hawaii Solar Energy Association testified in support of this measure. The Hawaii Council of Associations of Apartment Owners opposed the provisions that would allow solar energy devices to be sited on a townhouse roof that may be a common area. The Community Associations Institute, Hawaii Chapter opposed this measure.

Your Committee has clarified the definition of a "townhouse" to mean a unit that extends from the ground to the roof. The intent of this amendment is to prevent a townhouse owner whose living unit occupies only the bottom floor of a multi-story townhouse from impinging on the rights of persons occupying the living unit immediately above.

Your Committee has further amended this bill by:

- (1) Specifying that neither a condominium property regime declaration nor the bylaws of an association of apartment owners may prevent the installation and siting of a solar energy device;
- (2) Clarifying that solar energy devices may be installed on a townhouse roof, notwithstanding that it may be a common element within a condominium property regime; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 96, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 96, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Cachola, Kanoho and Meyer.

**SCRep. 1339 Energy and Environmental Protection on S.B. No. 737**

The purpose of this bill is to provide regulatory relief for builders of small construction projects by exempting these projects from the permit requirements of the noise pollution law.

This bill also requires builders of small construction projects to provide the Department of Health (DOH) with written notification of the intent to construct.

The Department of Transportation, the Building Industry Association of Hawaii, Hidano Construction, Inc., and Jas. W. Glover, Ltd. testified in support of this measure. The DOH also supported this measure and offered amendments.

Your Committee has amended this bill by:

- (1) Inserting a new section authorizing the Director of Health to establish fees for notification;
- (2) Excluding from the exemption projects emitting noise in excess of the maximum permissible sound levels that occur on Sunday and holidays; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 737, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1340 Energy and Environmental Protection on S.B. No. 738**

The purpose of this bill is to enable development projects to proceed in a more timely manner by requiring the Department of Health (DOH) to act on applications for noise control permits within thirty days instead of one-hundred-eighty days.

This bill also requires the Director of Health (Director) to act on an application within ninety days if the Director deems a public informational meeting, hearing, or notice is appropriate and extends the ninety-day period up to an additional ninety days if the Director determines that extraordinary circumstances exist.

Testimony in support of this measure was submitted by the DOH, the Department of Transportation, the Hawaiian Electric Company and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company, the Building Industry Association of Hawaii, Jas. W. Glover, Ltd., and Hidano Construction, Inc.

Your Committee has made technical, nonsubstantive amendments to the purpose section of this bill.



As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 738, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1341 Energy and Environmental Protection on S.B. No. 798**

The purpose of this bill is to clarify state and county jurisdiction over noise control, particularly at the Hawaii Convention Center by:

- (1) Requiring the Department of Health (DOH) to regulate noise control at the Convention Center; and
- (2) Allowing a county ordinance to prevail over a state noise permit if the ordinance provides greater protection to the public with regard to noise.

The DOH testified in support of this measure and offered amendments. The Yacht Harbor Towers Board of Directors and an individual testified in support of this measure. The Hawaii Agriculture Research Center and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, opposed passage of this bill. The Convention Center Authority offered comments and suggested amendments.

Your Committee has amended this bill by deleting the substance, and inserting, therefor, the substance of H.B. No. 798, H.D. 2, a companion to this measure, which does not allow a county ordinance to supersede a state noise permit. Your Committee notes that H.B. No. 798 passed out of the House of Representatives earlier this session after public hearings before the House Committees on Energy and Environmental Protection and Judiciary and Hawaiian Affairs.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1342 Energy and Environmental Protection on S.B. No. 30**

The purpose of this bill is to educate the community on matters pertaining to endangered wildlife in the State by authorizing the Department of Land and Natural Resources (DLNR) to issue endangered species ornamental stamps.

The Sierra Club, Hawaii Chapter testified in support of this measure. The DLNR also supported this measure and suggested amendments.

Your Committee has amended this bill by authorizing the Board of Land and Natural Resources to:

- (1) Require the purchase of the stamp in order to obtain a permit, license, or other product issued by DLNR under the endangered species provisions of Chapter 195D, Hawaii Revised Statutes; and
- (2) Enter into cooperative agreements with individuals or businesses to establish mutually beneficial sales and marketing programs featuring the stamp or artwork.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 30, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kanoho.

**SCRep. 1343 Energy and Environmental Protection on S.B. No. 207**

The purpose of this bill is to provide the Board of Certification of Operating Personnel in Wastewater Treatment Facilities (Board) with the necessary funds to carry out its responsibilities to certify individuals to operate wastewater treatment plants.

This bill creates a Board of Certification Special Fund into which would be deposited registration and certification fees generated by the Board's operator certification program. This would enable the operational costs of the Board to be adequately funded by its own revenues.

The Board and the County of Kauai Department of Public Works testified in support of this measure. The Department of Health also supported this bill, provided that passage of this measure does not affect its proposed Executive Budget request.

Your Committee has amended Section 340B-11, Hawaii Revised Statutes, to make it consistent with the provisions of this bill.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 207, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1344 Energy and Environmental Protection on S.B. No. 1404**

The purpose of this bill is to promote the reuse of wastewater through water recycling by providing a definition for "recycled water" and "reclaimed water".

The Department of Health and the City and County of Honolulu Department of Environmental Services testified in support of this measure and offered the same amendments to the definition. The City and County of Honolulu Board of Water Supply and the Hawaii Water Environment Association also testified in support of this bill. The Hilltop Equestrian Centre offered comments.

Your Committee has amended this bill by deleting the substance, and inserting therefor, the substance of H.B. No. 1548, H.D. 1, which is similar in intent and purpose to this measure. Your Committee notes that H.B. No. 1548, H.D. 1, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

Finally, your Committee has simplified the definition of "recycled water" and "reclaimed water" as treated wastewater that by design is intended or used for a beneficial purpose.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1404, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1404, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Kanoho.

**SCRep. 1345 Energy and Environmental Protection on S.B. No. 1429**

The purpose of this bill is to exclude from the definition of "public utility" any facility that reclaims wastewater, provided that at least ten percent of the wastewater processed is used by the State or county.

The Department of Health, the City and County of Honolulu Department of Environmental Services, and U.S. Filter Operating Services, Inc., testified in support of this measure. The Consumer Advocate opposed this bill.

According to the testimony, the City is under federally mandated requirements for wastewater reuse. If these requirements are not fulfilled, the City will be subject to fines and penalties. Following the issuance of a request for proposals, the City entered into a public/private partnership with U.S. Filter Operating Services, Inc., that will result in the construction of a water treatment facility in the Ewa Plains to process wastewater from the City's Honouliuli treatment facility. Approximately 10 million gallons per day of recycled water will be produced. A portion of the water will be resold to the City at a price established through a competitive bidding process. After undergoing a demineralization process, the remaining water will be sold to companies at Campbell Industrial Park for use in certain industrial processes.

Your Committee has amended this bill by:

- (1) Specifying that the primary, rather than sole, function of an exempt facility shall be the processing of secondary treated wastewater;
- (2) Deleting the distribution of secondary treated wastewater as a primary function of an exempt facility;
- (3) Prohibiting an exempt facility from distributing or making direct sales of water to residential customers;
- (4) Authorizing an exempt facility to distribute and sell processed wastewater to entities not covered by a state or county service contract; provided that, in the absence of regulatory oversight and direct competition, the distribution and sale of processed wastewater shall be reasonable and fair; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1429, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1429, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Takumi.

**SCRep. 1346 Consumer Protection and Commerce on S.B. No. 238**

The purpose of this bill is to:

- (1) Simplify, streamline, clarify, update, and deregulate the real estate licensing law set forth in Chapter 467, Hawaii Revised Statutes; and
- (2) Provide additional options to license applicants, without compromising consumer protection.

Among other things, this bill:

- (1) Streamlines and builds flexibility into the real estate licensing process by:
  - (A) Allowing real estate license candidates to avoid unnecessary expenditures on prelicensing education or examination requirements by requesting a preliminary decision from the Real Estate Commission (Commission), regarding disposition of their license application;
  - (B) Authorizing the Commission to recognize the growth of real estate specialty areas by requiring passage of only specific portions of examinations where appropriate;
  - (C) Allowing recognition of license candidates' out-of-state licensing examinations and other equivalencies; and
  - (D) Providing that where there is timely application for renewal of licenses, applicants shall receive new license certificates before the start of the new licensing biennium, expanding license restoration periods, and giving more renewal options to those with forfeited real estate licenses;
- (2) Simplifies and deregulates certification of real estate continuing education instructors, by transferring responsibility for approval of these instructors from the Commission to continuing education providers;
- (3) Deregulates the real estate broker business by repealing the requirements that real estate brokers display a broker's license, license their branch offices, and register their site offices;
- (4) Ensures that conflicts between real estate recovery fund requirements and bankruptcy laws are avoided; and
- (5) Simplifies condominium hotel registration requirements and allows condominium hotel operators to be limited liability companies.

The Real Estate Commission of the Department of Commerce and Consumer Affairs strongly supported and urged passage of this bill. The Hawaii Association of Realtors submitted testimony supporting the bill stating that the amendments were much needed.

Your Committee notes that there are numerous technical, nonsubstantive differences between this bill and its companion, H.B. No. 353, H.D. 1, and has replaced the text of this bill with that of the House companion to facilitate further examination and discussion of the two measures.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 238, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Yoshinaga and Rath.

**SCRep. 1347 Consumer Protection and Commerce on S.B. No. 1131**

The purpose of this bill is to:

- (1) Increase the amounts assessed insurers and paid into the Insurance Examiners Revolving Fund (IERF), which moneys are used by the Department of Commerce and Consumer Affairs (DCCA) to examine the activities, operations, and financial condition of insurers in Hawaii; and
- (2) Preserve the State's National Association of Insurance Commissioners (NAIC) accreditation status by repealing sunset and related provisions to make the IERF, as well as certain insurer reporting, filing, and reserve requirements set by the NAIC, a permanent part of the Insurance Code.

Your Committee received testimony strongly supporting this measure from the Insurance Commissioner of the DCCA. DCCA explained the amendments as follows:

- (1) The increase in IERF insurer assessments is necessitated by Act 116, Session Laws of Hawaii 1998, which increased personnel costs by transferring four examination branch general fund positions to the IERF without increasing funding;
- (2) Repeal of IERF sunset provisions is necessary to allow continued DCCA oversight of the State's insurance industry and to preserve State NAIC accreditation status because, without the IERF, the State would be unable to show financial ability to conduct examinations of the insurance industry as required by the NAIC; and
- (3) To qualify for NAIC accreditation, the State must have in place the insurer risk-based capital requirements, and the insurer reporting and filing requirements made permanent by this bill.

It is your Committee's intention to encourage further discussion of this measure. Your Committee notes that H.B. No. 1069, which is similar to this bill, was passed out of your Committee earlier this session. Your Committee has amended this bill by reflecting the substance of H.B. No. 1069 as follows:

- (1) Changed the effective date to take effect upon approval; and
- (2) Made technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1131, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1131, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Yoshinaga and Rath.

**SCRep. 1348 Consumer Protection and Commerce on S.B. No. 1261**

The purpose of this bill is to repeal statutorily set captive insurance licensing and license renewal fees, and allow the Insurance Commissioner to utilize the rulemaking process to set these fees, as well as other fees for the issuance of documents deemed necessary or requested by captive insurance companies.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs (DCCA), J&H Marsh & McLennan, and the Hawaii Captive Insurance Council. DCCA testified that current law does not allow DCCA to set fees in proportion to the greater amount of work required to license and regulate risk retention captives. DCCA also requested that the year 2000 effective date of the bill be extended to 2001, because in the department's experience, it can take longer than a year to adopt and implement administrative rules.

Your Committee recognizes that the captive insurance industry is a growth industry that confers economic benefits on Hawaii. This bill will give DCCA flexibility to properly administer fees and will support prudent regulation of captive insurance companies, factors that are integral to maintaining a reputable and attractive captive domicile.

Your Committee has amended the effective date of this bill to 2001 as requested by DCCA. In addition, to facilitate further discussion of this measure, your Committee has replaced the contents of this bill with that of a similar measure that passed out of the Finance Committee earlier this session, H.B. No. 1624, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1261, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1261, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Takumi, Yoshinaga and Rath.

**SCRep. 1349 Consumer Protection and Commerce on S.B. No. 1076**

The purpose of this measure is to provide insurance companies an incentive to invest in low-income housing projects and thus encourage the inflow of capital into Hawaii, by authorizing insurance companies to offset their premium taxes with the low-income housing tax credit.

Your Committee received testimony in support of this measure from the Department of Taxation and the Housing and Community Development Corporation of Hawaii (HCDCH). HCDCH testified that this measure would not increase the amount of tax credits to be provided by the State. Instead, the measure is anticipated to result in increased demand for tax credits, resulting in a higher price paid for these credits, and allowing low income rental projects to be supported through the award of fewer credits.

Your Committee has amended this measure, as suggested by HCDCH and the Department of Taxation, to increase the accuracy of the title of the new section, by amending "income tax credit" to read, "insurance premium tax credit."

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1076, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1350 Consumer Protection and Commerce on S.B. No. 1048**

The purpose of this bill is to amend the law relating to foster homes by:

- (1) Aligning the frequency of the Department of Human (DHS) services' criminal history checks of foster home operators and employees, with DHS' foster home certification schedule, by changing the requirement that these checks be conducted annually, to annually for the first two years and then annually or biennially thereafter depending on the certification status of the home; and
- (2) Reducing the trauma to certain groups of children removed from their homes and placed in foster homes, by amending the definition of "foster boarding home," that is presently limited to homes for fewer than six children, to include sibling groups of six or more children.

Your Committee received testimony in support of this measure from DHS.

To encourage further discussion of this bill, your Committee has amended this bill by deleting its contents and substituting the language of H.B. No. 1115, H.D. 1, a similar measure heard earlier in this session by your Committee, containing technical, nonsubstantive differences.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1048, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1351 Consumer Protection and Commerce on S.B. No. 1140**

The purpose of this bill is to simplify the business registration process in the State by:

- (1) Clarifying and updating the statutes governing business registration under the Hawaii Business Corporation and the Hawaii Nonprofit Corporation Acts;
- (2) Requiring each corporation to have a registered office and registered agent in the State; and
- (3) Allowing domestic corporations to amend and restate their articles of incorporation at any time by complying with procedures and requirements under sections 415B-37 and 415B-40, Hawaii Revised Statutes.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this measure. Your Committee received no testimony in opposition.

Your Committee finds that this bill will make the business registration process simpler and more efficient, which may help to encourage the formation of new businesses.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1352 Consumer Protection and Commerce on S.B. No. 1142**

The purpose of this bill is to provide administrative relief for name disputes between legal entities.

Specifically, this bill enables corporations, partnerships, limited partnerships, limited liability partnerships, and limited liability companies to seek administrative relief against other entities who have registered or are using a name that is substantially identical or confusingly similar to their own.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1353 Energy and Environmental Protection on S.B. No. 953**

The purpose of this bill is to establish the Hawaii Environmental Authority (Authority) within the Department of Land and Natural Resources (DLNR) to oversee the State's environmental protection policies and strategies.

This bill requires the Authority to, among other things:

- (1) Develop a long-range plan for environmental protection;
- (2) Develop and implement the state environmental strategic plan to protect and market the State as a desirable visitor destination;
- (3) Work to eliminate or reduce barriers to environmental protection; and
- (4) Coordinate the development of new products with the public and private sectors, including the development of bioremediation, culture, and eco-tourism.

Na Leo Pohai and Hawaii's Thousand Friends testified in support of this bill. The DLNR and the Sierra Club, Hawaii Chapter supported the intent of this measure. The Office of Hawaiian Affairs offered amendments.

The Hawaii Audubon Society also supported this measure and recommended amendments to establish a public/private partnership program within the the Office of Environmental Quality Control (OEQC). The Hawaii Green Party and an individual supported these amendments.

OEQC, the Office of Information Practices, and the University of Hawaii Environmental Center offered comments, and the City and County of Honolulu Department of Planning and Permitting opposed this measure.

Your Committee believes that the State cannot afford to establish a new entity at this time due to the current economic climate. Instead, any new powers should be placed within an existing entity. Accordingly, your Committee has amended this bill by:

- (1) Replacing the Authority with the Stewardship and Partnering Program (Program) within OEQC to be headed by an Administrator;
- (2) Directing the Administrator to, among other things:
  - (a) Leverage state resources by seeking outside funding;
  - (b) Create partnerships and enhance the capacity for community-based cultural and natural resource stewardship;
  - (c) Enhance and develop locally-owned businesses and employment opportunities in the fields of natural and cultural resources;
  - (d) Facilitate the resolution of conflicts between proponents of development and natural and cultural resource conservation and management; and
  - (e) Provide technical assistance to create public/private partnerships;
- (3) Requiring OEQC to assist the Program;
- (4) Specifying that moneys from the Environmental Special Fund (Fund) shall be used by the Program, including salaries;
- (5) Revising the membership of the Environmental Council and directing it to advise the Administrator on the implementation of the Program;
- (6) Making an appropriation to the Fund to carry out the purposes of this bill; and
- (7) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 953, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 953, S.D. 2, H.D. 1, and be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Kanohe and Takumi.

The purpose of this bill is to allow school-level minor repairs and maintenance accounts to be used for minor improvements, to increase the amount of these accounts to \$20,000 per school, and to allow principals to hire the Department of Accounting and General Services to perform these services.

In addition, this bill:

- (1) Changes the name of school-level minor repairs and maintenance accounts to "school-level minor repairs, maintenance, and improvements accounts";
- (2) Prevents unencumbered or unexpended funds in these accounts from lapsing into the general fund at the close of each fiscal year;
- (3) Exempts expenditures and transfers from these accounts from the Hawaii Public Procurement Code (chapter 103D, Hawaii Revised Statutes); and
- (4) Requires the Department of Accounting and General Services to submit a report of expenditures and transfers made by the schools and the Department of Accounting and General Services to the Legislature, by departmental school district.

Your Committee received testimony in support of the intent of this bill from the Department of Education and the Department of Accounting and General Services. Testimony in support of this bill was received from the Hawaii State Teachers Association.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1355                      Education on S.B. No. 1251**

The purpose of this bill is to assist the Department of Education to fund needed improvements to the public schools' telecommunications infrastructure.

Specifically, this bill sets aside interest earned on moneys in the Educational Facilities Improvement Special Fund to be used solely for education technology subject to the sole authority of the Legislature to authorize projects.

Your Committee received testimony in support of this bill from the Superintendent of Education and testimony in opposition from the Director of Finance.

Currently, interest earnings of the Educational Facilities Improvement Special Fund are returned to the general fund. This bill would instead give the Department of Education additional funds for use in needed improvements to the public schools' telecommunications infrastructure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1251 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1356                      Education on S.B. No. 1271**

The purpose of this bill is to allow the Department of Education to assess and collect fees for all supplementary instructional services to students during out-of-school time.

This measure accomplishes this by expanding the special summer school and intersession fund into the out-of-school time instructional program fund. Under the current law, the department is authorized to assess and collect fees only for summer school and intersession programs.

Your Committee finds that this measure will provide the department with greater flexibility for individual schools to design and offer a variety of programs responsive to their students' needs, and to ensure the adequacy of resources for doing so.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1357                      Education on S.B. No. 1272**

The purpose of this bill is to change the age at which a child may attend kindergarten from five years of age on or before December 31 of the school year to five years of age on the first day of the school year, unless the child meets readiness standards determined by the Board of Education.

An individual submitted testimony in support of the bill. The Board of Education testified in support of the intent of the bill, expressing a preference for H.B. No. 1088, H.D. 2, which allows the Board of Education to determine the minimum age for kindergarten and first grade entrance. The Department of Human Services and the Hawaii State Teachers Association commented on the bill.

Your Committee agrees with the Board of Education and has amended the bill by deleting its contents and replacing it with the substance of H.B. No. 1088, H.D. 2.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1272, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1358                      Education on S.B. No. 1475**

The purpose of this bill is to transfer the executive director and staff of the Hawaii school-to-work executive council, including their records and equipment, from the executive council to the Department of Education.

Specifically, this bill:

- (1) Repeals the law giving the executive council the power to establish and set the general directions and policy for the executive director;
- (2) Repeals the law giving the executive council the power to appoint the executive director and staff of the school-to-work opportunities pilot project;
- (3) Requires the Department of Education to employ an executive director and authorizes the Department to employ other staff for the pilot project; and
- (4) Repeals the law giving the executive director the power to make, execute, enter into, amend, supplement, and carry out contracts and other instruments.

Your Committee received testimony in support of this bill from the Department of Labor and Industrial Relations, the University of Hawaii, and The Chamber of Commerce of Hawaii. Your Committee received testimony in support of the concept of this bill from the Department of Education, the Hawaii school-to-work opportunities executive council, and the Hawaii State Teachers Association.

Your Committee finds that transferring the power to appoint and supervise the executive director and staff of the school-to-work opportunities pilot project from the Hawaii school-to-work opportunities executive council to the Department of Education will allow the executive council to concentrate its efforts on reforming education, developing the State's workforce, and stimulating economic development.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1475, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1359                      Legislative Management on S.B. No. 105**

The purpose of this bill, as received, is to create a Joint Legislative Task Force to restructure state government. The Task Force would make its recommendations, including a comprehensive implementation strategy, to the Governor.

While within the purview of the Legislature, your Committee prefers that government organizational restructuring be addressed by the Executive Branch as was recently achieved in the consolidation of various state housing entities into the Housing and Community Development Corporation of Hawaii. Other recommendations previously submitted by the Administration to reform and consolidate state agencies were not approved by the Legislature.

Accordingly, your Committee has amended this bill by deleting its substance and inserting provisions:

- (1) Requiring certain legislative subject matter committees to restructure government operations by collaborating with counterparts from all county councils, together with representatives from respective state and county agencies, to help achieve the purposes of Act 223, Session Laws of Hawaii 1998;



- (2) Requiring all legislative subject matter committees to participate in reforming government operations by collaborating with respective state agencies to identify three areas conducive for significant productivity improvement and selecting at least one for interim activity;
- (3) Indicating that this effort toward reforming specific government functions shall materially involve state employees from within the affected operations. Participation by legislators shall be in a "behind the scenes," secondary, monitoring and listening role rather than one of directing change; and
- (4) Stating that any action under this bill to reform government shall not result in any termination or lay off. Employees who may be transferred shall not sustain any loss in pay. Subject to the approval of the Legislature, the committees may recommend early retirement parameters without penalty to accomplish desired reform and savings.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 105, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1360                      Legislative Management on S.B. No. 654**

The purpose of this bill is to:

- (1) Provide for the appointment of first deputies to the Legislative Analyst, the Legislative Auditor, the Director of the Legislative Reference Bureau, and the Ombudsman with the advice and consent of the Joint Legislative Management Committee;
- (2) Make an appropriation to provide for costs of relocating the Public Access Room, and for electronic equipment and furniture purchase;
- (3) Require the Legislative Analyst to review all performance-based budgets submitted to the Legislature as provided by law;
- (4) Make the Legislative Reference Bureau responsible for the sale of session laws, supplements, and replacement volumes;
- (5) Require the Legislature, instead of the Lieutenant Governor, to sell and distribute session laws, supplements, and replacement volumes;
- (6) Provide that the money received for the sale of legislative publications be credited to the Hawaii Legislative Publications Special Fund; and
- (7) Remove from the duties of the Lieutenant Governor, recordation of all legislative and gubernatorial acts.

Common Cause Hawaii supported this measure. GST Telecom Hawaii supported the appropriation of funds to the Public Access Room for expansion, moving, and equipment costs. GST Telecom Hawaii also requested that the bill be amended to add provisions found in H.B. No. 1639, which was heard earlier in the session by this Committee. H.B. No. 1639 made an appropriation to hire a second full-time staff person for the Public Access Room.

The Office of the Lieutenant Governor supported the intent of this bill as it relates to the transfer of duties from the Office of the Lieutenant Governor to the Legislature. The Legislative Auditor opposed the portions subjecting the appointment of deputies for legislative agencies to the advice and consent of the Joint Legislative Management Committee. The Legislative Reference Bureau submitted comments noting discrepancies in the bill and potential problems with regard to the transfer of duties from the Office of the Lieutenant Governor to the Legislature.

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

- (1) Deleting the appointment of first deputies to the Legislative Analyst, the Legislative Auditor, the Director of the Legislative Reference Bureau, and the Ombudsman with the advice and consent of the Joint Legislative Management Committee; and
- (2) Appropriating funds to hire an additional staff person for the Public Access Room.

Your Committee supports the distribution and sale of session laws, supplements, and replacement volumes by the Legislative Reference Bureau because it offers a measure of government streamlining by providing "one stop" convenience for the public in obtaining all legislative-related material. However, storage and handling costs to be absorbed by the Legislative Reference Bureau may not be offset by savings to the Lieutenant Governor's Office. The Lieutenant Governor's Office was requested to assist in addressing and resolving this concern.

Your Committee has also made technical, nonsubstantive amendments to correct drafting and clerical errors, including setting forth section 26-1, Hawaii Revised Statutes, in its entirety to prevent its ultimate repeal and reenactment as required in Act 27, Special

Session Laws of Hawaii (SSLH) 1995. As amended and set forth in this measure, section 26-1 includes all of the amendments made to date since Act 27, SSLH 1995, to confirm the form and substance of the section as intended by your Committee to survive upon enactment.

The June 30, 1999, drop dead requirement of Act 27, SSLH 1995, which was subsequently amended by Act 13, Session Laws of Hawaii 1996, was also addressed to ensure that certain provisions of section 26-1 are not inadvertently eliminated after June 30, 1999.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 654, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 654, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1361                    Health on S.B. No. 134**

The purpose of this bill is to increase alcohol and substance abuse care by:

- (1) Allowing physicians to provide treatment services for mental health and substance abuse; and
- (2) Exempting physicians from certification requirements for substance abuse treatment.

The Hawaii Medical Association and the Hawaii Psychiatric Medical Association testified in support of this measure. The Department of Health testified in opposition to this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that this measure, as written, would allow every physician, from a dermatologist to a podiatrist, to be reimbursed as a certified substance abuse counselor to provide substance abuse treatment. This is not the intent of this measure, and therefore, your Committee has amended this bill by deleting its substance and inserting language from a similar measure, H.B. No. 328, H.D. 1. As amended, this measure expands alcohol and drug abuse treatment coverage to only physicians who are board certified in addiction psychiatry.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 134, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 134, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 1362                    Transportation on S.B. No. 1534**

The purpose of this bill is to acknowledge those who served the United States at the time of the December 7, 1941 attack on Pearl Harbor.

Your Committee on Transportation finds that those who did serve the United States during the attack on Pearl Harbor should be recognized for their actions, regardless of whether or not they were enlisted in the military at the time.

This bill proposes to allow the issuance of special license plates for those civilians providing service to the United States, on Oahu, or offshore at a distance of not more than three miles at the time of the December 7, 1941 attack on Pearl Harbor.

Testimony in support of the intent of this bill was received from a civilian who served during the attack on Pearl Harbor. The Department of Customer Services of the City and County of Honolulu has no objection to this measure.

Your Committee has amended this bill by including changes to Section 249-9.3, Hawaii Revised Statutes. These changes establish standards and qualifications that organizations must meet in order to obtain special license plates.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1534, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1534, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Okamura and Yoshinaga.

**SCRep. 1363                    Agriculture on S.B. No. 1062**

The purpose of this bill is to expand the eligibility for agricultural park leases to include revocable living trusts and limited liability companies.

The Hawaii Farm Bureau Federation, the Big Island Farm Bureau, and an individual testified in support of this bill. The Department of Agriculture (DOA) testified in support of this bill, provided the bill does not adversely affect DOA's Executive Biennium Budget.

Your Committee notes that this bill will allow lessees holding leases under revocable living trusts or limited liability companies to transfer their interests in their leases to surviving family members or successor business entities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Morihara.

**SCRep. 1364                    Agriculture on S.B. No. 5**

The purpose of this bill is to provide agricultural loans to farmers for export purposes and for state eradication programs.

The Department of Agriculture (DOA) testified in support of this bill.

Your Committee notes the recommendation in DOA's testimony to incorporate the appropriation of funds for loans to farmers in economically depressed areas. Your Committee further notes that the provision of agricultural loans to farmers in economically depressed areas was established in Act 118, Session Laws of Hawaii 1998, which created a pilot loan project to facilitate the development of diversified agriculture in depressed areas.

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

- (1) Appropriating \$2,500,000 from the Agricultural Loan Revolving Fund for fiscal year 1999-2000 for loans to farmers in economically depressed areas;
- (2) Changing the effective date to July 1, 1999; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 5, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito and Morihara.

**SCRep. 1365                    Judiciary and Hawaiian Affairs on S.B. No. 1160**

The purpose of this bill is to amend the Uniform Controlled Substances Act to:

- (1) Conform to changes in federal law;
- (2) Add a new definition for the term "ephedrine";
- (3) Update the record-keeping requirement for controlled substances from two years to five years;
- (4) Standardize prescription script sizes;
- (5) Expand the list of chemicals subject to mandatory reporting requirements;
- (6) Prevent the unauthorized use of Drug Enforcement Agency hospital numbers and internal codes;
- (7) Remove the exemption for ephedrine products while creating an exemption for dietary supplements containing ephedrine alkaloids extracted from the plant ephedra;
- (8) Establish penalties for sellers of ephedrine products who make claims that consumption of the product will produce the effects of ecstasy, euphoria, increased sexual sensations, heightened awareness, increased energy, legal "highs" or other similar effects; and
- (9) Increase the penalties for the sale or distribution of a regulated chemical without a permit or by a person convicted for the second time of a permit violation (section 329-67, Hawaii Revised Statutes).

Testimony in support of the bill was received from the Department of Public Safety and Longs Drugs. Testimony in opposition to the bill was received from the Dietary Safety and Science Coalition. Additional testimony was received from the Department of Health, the Office of the Public Defender, the City and County of Honolulu Police Department, and the Legislative Information Service of Hawaii.

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

- (1) Requiring that persons who sell or otherwise transfer into the state encapsulating or tableting machines keep records of each transaction for a period of two years;
- (2) Clarifying that reporting requirements do not apply to manufacturers, wholesalers, retailers, or other persons who sell or transfer into the State any over-the-counter drug product containing pseudoephedrine, norpseudoephedrine, phenylpropanolamine, or an ephedrine combination product below the cumulative threshold of one kilogram, and;
- (3) Assisting physicians who have difficulty when reconciling ethical concerns for confidentiality with public safety and legal considerations regarding the disclosure of abuses of controlled substances by clarifying that information communicated to a physician in an effort to unlawfully procure a controlled substance is not a privileged communication.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1366 Consumer Protection and Commerce on S.B. No. 41**

The purpose of this bill is to:

- (1) Repeal the sunset date for the Hawaii Teacher Standards Board; and
- (2) Provide for the staggering of the terms of its members.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and from the Department of Education.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1367 Consumer Protection and Commerce on S.B. No. 194**

The purpose of this bill is to encourage the purchase of long-term care (LTC) insurance by providing a State income tax credit of up to 50 percent of the premium cost of a qualified LTC policy, to a maximum of \$1,000 per year.

The Insurance Commissioner from the Department of Commerce and Consumer Affairs, the American Council of Life Insurance, the Hawaii State Association of Life Underwriters, AARP, Healthcare Association of Hawaii, Benefit Services of Hawaii, Inc., the Hawaii Coalition for Affordable Long Term Care, the Policy Advisory Board for Elder Affairs, and the Hawaii State Commission on the Status of Women. The Department of Taxation supported the intent of this measure and suggested an alternative for the credit provisions of the bill. The Tax Foundation of Hawaii submitted comments on this bill.

Your Committee notes that this bill is substantially similar to H.B. No. 170 H.D. 1, which passed out of this Committee earlier this session.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1368 Consumer Protection and Commerce on S.B. No. 851**

The purpose of this bill is to encourage the use of hospice care and to ensure consistent, high-quality hospice care.

Specifically, this bill achieves this purpose by:

- (1) Authorizing the Department of Health to license hospice service agencies, including hospice homes that provide twenty-four-hour living accommodations to no more than five unrelated persons admitted to a hospice program of care, which provides palliative and supportive care for terminally ill persons and their families or caregivers;
- (2) Defining "hospice", "hospice home", "hospice services", and "hospice service agency"; and
- (3) Permitting hospice homes in residential areas for purposes of zoning.

Your Committee received testimony supporting this bill from the Department of Health and two concerned individuals. The Executive Office on Aging, the Hawaii Nurses' Association, Hospice Hawaii, and the Policy Advisory Board for Elder Affairs testified in support of this bill but recommended reinserting the reimbursement provisions contained in sections 3 and 4 of the S.D. 2 version of this bill.

Your Committee wishes to note the need for further consideration by the Committee on Finance of the recommendations made by certain testifiers. Specifically, section 3 of the S.D. 2 version of this bill required insurers to reimburse hospice care providers:

- (1) A minimum daily rate as set by the Health Care Financing Administration for hospice care; and
- (2) An unspecified daily amount for room and board expenses for hospice care in excess of the minimum daily rate.

Section 4 of the S.D. 2 version required hospice referral visits during which patients are advised of hospice care options to be considered reimbursable benefits regardless of whether the referred patients are eventually admitted to hospice care.

Your Committee believes that this bill will encourage wider use of hospice care, which will increase patient satisfaction as well as save money over hospital or other forms of acute care at the end of life.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1369 Consumer Protection and Commerce on S.B. No. 1130**

The purpose of this bill is to require health maintenance organizations to file quarterly reports with the Insurance Commissioner and to impose penalties for noncompliance.

In particular, this bill provides that if certain fees relating to a health maintenance organization's certificate of authority are not paid before or on the extension date of the certificate, a penalty is to be imposed in the amount of fifty per cent of the fee. If the fee and the penalty are not paid within thirty days following the extension date, the commissioner may revoke the certificate of authority and may not reinstate the certificate of authority until the fee and penalty have been paid. The bill further specifies that all penalties, in addition to fees, are to be remitted by the Insurance Commissioner to the Director of Finance and placed to the credit of the general fund.

Your Committee received testimony in favor of this measure from the Department of Commerce and Consumer Affairs.

Your Committee agrees with the intent of this bill, and finds that quarterly reporting and the timely renewal of certificates of authority will assist the Insurance Commissioner in monitoring the financial solvency of health maintenance organizations in a more effective manner. As increasing numbers of employers turn to health maintenance organizations as a means of controlling or reducing health care costs, all possible measures must be taken to ensure the continued solvency of these organizations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1370 Consumer Protection and Commerce on S.B. No. 1136**

The purpose of this bill is to repeal the Board of Osteopathic Examiners and transfer the function of that board to the Board of Medical Examiners.

The bill also adds two osteopaths to the Board of Medical Examiners and deletes references to osteopathic surgeons in the statutes.

The Department of Commerce and Consumer Affairs and the Hawaii Medical Association testified in support of the bill. The Board of Osteopathic Examiners testified in opposition.

Your Committee finds that abolition of the board and transfer of its functions is consistent with past sunset reports of the Auditor. The Board of Osteopathy has historically had minimal activity and received few complaints. Additionally, the two fields, osteopathy and medicine, have converged in recent years, making regulation by one board not only logical and feasible, but also more efficient. Indeed, the Auditor, in its 1992 study, found that twenty-one states use a single board to regulate both professions. Furthermore, your Committee notes that the Board of Medical Examiners already regulates podiatrists, physician assistants, and emergency ambulance personnel, in addition to medical doctors.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1371 Consumer Protection and Commerce on S.B. No. 1279**

The purpose of this bill is to clarify the purpose and intent of the Universal Service Program to better serve the telephone service needs of customers.

Specifically, the bill:

- (1) Transfers the placement of the Universal Service Fund outside of the state treasury;
- (2) Exempts the Fund from the central services expenses and departmental administrative expenses surcharges;
- (3) Restricts the use of the Fund to the Universal Service Program;
- (4) Clarifies the source of the Fund and use of interest earned therefrom; and
- (5) Appropriates funds from the Universal Service Fund for the purposes of the Universal Service Program; provided that the appropriation shall be a temporary loan from the Public Utilities Special Fund.

Your Committee finds that the Universal Service Program was established to ensure affordable telephone service to all Hawaii residents including low-income customers and customers in high-cost areas.

This bill clarifies and enhances the Universal Service Program and Fund to ensure the equitable provision of quality telephone service to Hawaii's telephone customers.

Your Committee received favorable testimony on this bill from the Consumer Advocate, the Public Utilities Commission, AT&T, GTE, and GST Telecom Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1372 Consumer Protection and Commerce on S.B. No. 1079**

The purpose of this bill is to make improvements to the consolidated application process, by:

- (1) Changing the name of that process to the "facilitated application process";
- (2) Expanding and more specifically delineating the membership of the Permit Process Task Force (Task Force);
- (3) Limiting the Task Force's purpose of facilitating the state permit approval process to county building permit applications requiring state agency approval; and
- (4) Establishing a sunset date of June 30, 2002, for the Task Force.

Your Committee received testimony in favor of this measure from the Office of Planning of the Department of Business, Economic Development, and Tourism (DBEDT), which also recommended technical amendments to clarify and correct the bill. The Sierra Club, Hawai'i Chapter, testified in opposition to the bill.

Your Committee has amended the bill to incorporate a technical, nonsubstantive amendment proposed by DBEDT, to conform section 2 of the bill to reflect the complete text of section 201-62, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1079, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1373 Consumer Protection and Commerce on S.B. No. 1127**

The purpose of this bill is to assess the health insurance industry the costs incurred by the State in regulating the industry.

Testimony in support of the measure was submitted by the Insurance Commissioner, State Farm Insurance Companies, AARP, Kaiser Permanente, and the Hawaii Coalition for Health. Comments were submitted by Hawaii Medical Service Association.

Your Committee finds that sufficient funds should be assessed in an economically fair manner so that all positions requested by the Insurance Commissioner can be filled and the full implementation of the Patient Rights and Responsibilities Act can be realized.

Therefore, your Committee has amended the bill by:

- (1) Raising the aggregate ceiling to \$1,100,000;
- (2) Providing a flat assessment of \$10,000 for the first 70,000 covered members of each entity, with a pro-rata assessment when the covered membership exceeds that figure; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1127, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1374 Consumer Protection and Commerce on S.B. No. 1235**

The purpose of this bill is to stimulate the responsible growth of alternative medicine in Hawaii by establishing a governor's task force to conduct collaborative examination and discussion of the field of alternative medicine.

Your Committee received testimony from the Hawaii Medical Service Association in support of the bill, and from the Department of Health (DOH), supporting alternative medicine organizations and agencies, but opposing this bill because of its impact on the limited resources of DOH.

Your Committee has amended this measure by deleting its substance and replacing the provisions of the bill with language from H.B. No. 790, H.D. 1, a bill passed out earlier this session by your Committee. Your Committee has done so to continue discussion and constructive resolution of the issues raised by H.B. No. 790, H.D. 1. As amended, this measure:

- (1) Requires the adjutant general to adopt hurricane resistant shelter criteria for new public school buildings designated as hurricane shelters and built after June 30, 2000; and
- (2) Provides that the state or counties may identify and designate those new school buildings planned, designed, constructed, and equipped:
  - (a) After June 30, 2000, that shall comply with hurricane resistant shelter criteria adopted by the adjutant general; and
  - (b) Before July 1, 2000, that shall comply to the extent feasible with hurricane resistant shelter criteria established by the adjutant general on July 29, 1997.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1235, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi, and Halford.

**SCRep. 1375 Consumer Protection and Commerce on S.B. No. 1238**

The purpose of this bill is to provide for proper management of barbering and massage therapy school licensing programs by transferring responsibility for the licensing and regulation of these schools from the Department of Education (DOE) to the Department of Commerce and Consumer Affairs (DCCA), which currently regulates licensure of barbering and massage therapy practitioners. The measure also directs DCCA to assess the need for regulation of these schools and determine the resources needed for implementation of a regulatory program.

Your Committee received testimony opposing this bill from the Board of Barbering and Cosmetology, the Board of Massage Therapy, the Hawaii Chapter of the American Massage Therapy Association, and a concerned individual.

DCCA also testified, requesting that legislative action on the bill be deferred to allow DCCA and DOE to meet, discuss matters with the University of Hawaii State Board for Vocational Education (SBVE), and generate proposed solutions agreeable to all parties concerned for presentation to the Legislature at a future date. This request was agreed to by DOE, in its testimony. DCCA also

requested that your Committee replace the contents of this bill with a proposed bill similar to H.B. No. 1096, H.D. 1, which passed out of your Committee earlier this session.

Upon consideration, your Committee agrees that this bill, as received by your Committee, may be premature and may inadequately define and address the problems that resulted in the bill's introduction. Your Committee has amended this measure by replacing its contents with the measure proposed by DCCA.

As amended, this bill:

- (1) Repeals regulation of real estate collection servicing agents, as set forth in chapter 454D, Hawaii Revised Statutes;
- (2) Requests sunset reviews by the Legislative Auditor of State regulation of barbers, beauty culture, and speech pathology and audiology; and
- (3) Requests the Legislative Reference Bureau to study whether the dental licensing examination is an undue exclusionary barrier to entry into the profession, and whether it should be replaced by any of four regional examinations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1238, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Garcia, Hiraki, Yoshinaga and Rath.

**SCRep. 1376                      Judiciary and Hawaiian Affairs on S.B. No. 1146**

The purpose of the bill, as received by your Committee, is to allow a Hawaiian homestead lessee to transfer the lessee's interest to a spouse, child, or grandchild who is at least one-quarter Hawaiian.

Testimony in support of this bill was received from the Office of Hawaiian Affairs, the Department of Hawaiian Home Lands, the State Council of Hawaiian Homestead Associations, and several individuals.

Your Committee finds that there is a need to extend the time to process individual Hawaiian Home Lands Trust claims to assure the timely adjudication of all claims by the Hawaiian Home Lands Trust Individual Claims Review Panel.

Your Committee has therefore amended this bill by:

- (1) Deleting its contents;
- (2) Inserting the provisions contained in H.B. No. 1675, H.D. 1, that extends the time to process individual Hawaiian Home Lands trust claims;
- (3) Providing that actions are barred unless commenced by December 31, 2001; and
- (4) Adjusting the term of the Panel members.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1146, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1146, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1377                      Labor and Public Employment on S.B. No. 1042**

The purpose of this bill is to provide for additional flexibility in the hiring of new government employees by allowing vacancies to be announced at a range of salary rates, rather than the first step only, for professional and scientific positions and positions in the excluded managerial compensation plan.

The Department of Human Resources Development, the Department of the Judiciary, and the Public Employees Management Association of Hawaii testified in support of this measure.

Your Committee finds that under current law all new hires must be appointed at the minimum step of the salary range, regardless of the quality and quantity of experience of candidates for government positions. As a result, both state and county governments often find themselves at a competitive disadvantage in recruiting experienced professionals.

Your Committee further finds that this measure will provide the State with an important tool for improving its ability to attract and hire experienced and qualified professional, scientific, and managerial employees to the State civil service.

Your Committee has amended this bill by:



- (1) Changing the effective date to June 1, 2000; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1042, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1042, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1378 Labor and Public Employment on S.B. No. 1147**

The purpose of this bill is to:

- (1) Bring Hawaii into compliance with the requirements of the Federal Workforce Investment Act of 1998 (Act), by requiring the Hawaii Workforce Development Council (Council) to assist the Governor in, among other things:
  - (A) Developing the State's plan for the use of federal workforce investment funds;
  - (B) Developing and improving statewide and local workforce investment systems;
  - (C) Commenting at least annually on the measures taken pursuant to the Carl D. Perkins Vocational and Technical Education Act;
  - (D) Developing allocation formulas for the distribution of funds to local areas;
  - (E) Developing and improving comprehensive state performance measures to assess the effectiveness of the workforce investment activities; and
  - (F) Preparing the annual report to the United States Secretary of Labor.
- (2) Provide for the following changes to the composition of the Council:
  - (A) Increasing the size of the council from 17 to a maximum of 29 members;
  - (B) Increasing the number of private sector representatives on the council from 10 to 15;
  - (C) Removing one representative of a community-based organization while retaining the representative from a community-based native Hawaiian organization;
  - (D) Providing that two representatives shall be from labor;
  - (E) Adding four members from the legislature, two from each house; and
  - (F) Adding two mayors or their representatives.

The Department of Business, Economic Development, and Tourism, the Department of Human Services, the Department of Labor and Industrial Relations, and the Workforce Development Council testified in support of this measure.

Your Committee notes that this bill is similar in general purpose and intent to H.B. 1159, H.D. 1, which was passed out of this Committee after a public hearing.

Your Committee has amended this bill deleting its substance and inserting language similar to H.B. No. 1159, H.D. 1. As amended, this measure differs from the measure as heard by providing:

- (A) That the members of the Council who are the four members of the legislature shall be appointed by the presiding officer of each house instead of by the governor; and
- (B) An effective date of September 15, 2001.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1379 Labor and Public Employment on S.B. No. 1152**

The purpose of this bill is to:

- (1) Authorize the Director of Labor and Industrial Relations to expend funds from the Occupational Safety and Health (HIOSH) Training and Assistance Fund (special fund) for safety and health certification programs; and
- (2) Extend the life of the HIOSH special fund for four years to July 1, 2003.

The Department of Labor and Industrial Relations testified in support of the bill.

Your Committee finds that continuation of the HIOSH special fund is vital to the health and safety of Hawaii's workers and the general public.

Your Committee has amended the bill by:

- (1) Changing the effective date to September 15, 2001; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1152, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1380 Labor and Public Employment on S.B. No. 1153**

The purpose of this bill is to exempt grants and subsidies given through the Employment and Training Fund (ETF) from chapters 103F and 42F, Hawaii Revised Statutes.

The State Procurement Office testified in support of this bill. The Department of Labor and Industrial Relations testified in support of this bill with suggested technical amendments.

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

- (1) Deleting its substance and inserting the substance of a similar bill, H.B. 1166, H.D. 1;
- (2) Changing "grants and subsidies" to "contracts" to conform with current statutes which enacted chapter 103F, Hawaii Revised Statutes (HRS), and repealed chapter 42D, HRS; and
- (3) Exempting the ETF from chapter 103D, HRS, rather than chapter 42D, HRS, as a "contract" is subject to chapter 103D, HRS, the overall procurement law governing all state contracts.

Your Committee notes that H.B. 1166, H.D.1, passed out of the House of Representatives after public hearings before this Committee and the Committee on Finance.

This measure will enable DLIR to solicit proposals in a timely and continuous manner without impediment from procurement process requirements.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1381 Labor and Public Employment on S.B. No. 1288**

The purpose of this bill is to enable the Board of Trustees of the Public Employees Health Fund (Health Fund) to contract for more than one type of benefit plan for medical, drug, vision, and dental benefits.

The Hawaii Health Systems Corporation testified in support of this bill. The Hawaii State Teachers Association testified in support of the intent of this bill.

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

- (1) Deleting its substance and inserting the substance of a similar bill, H.B. 1042, H.D. 2; and
- (2) Making technical, nonsubstantive changes for style and clarity.

Your Committee notes that H.B. 1042, H.D. 2, passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Finance.

Your Committee finds that current law authorizes the Board of Trustees (Board) of the Health Fund to contract for only one statewide plan for each of its medical, drug, dental, and vision benefit plans. This measure will provide the Board with the flexibility to contract for more than one benefit plan per benefit category. Your Committee believes that fostering healthy competition will result in better quality state benefit plans at a better price.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Okamura.

**SCRep. 1382                    Labor and Public Employment on S.B. No. 1294**

The purpose of this bill is to require that eligible employee-beneficiaries of the Public Employees' Health Fund (Fund) and their spouses enroll in the federal Medicare Part B medical insurance plan, with exceptions to the requirement to be determined by the Board of Trustees.

Your Committee has amended this bill by:

- (1) Requiring the state through the Department of Budget and Finance and the several counties through their respective departments of finance to pay the Fund a monthly contribution of \$43.80 for voluntary medical insurance coverage for each employee-beneficiary;
- (2) Requiring the Department of Labor and Industrial Relations to study chapter 87, Hawaii Revised Statutes, and recommend proposed legislation to increase the efficiency and promote cost savings in the administration of the Public Employees Health Fund and to report its findings and recommendations to the Legislature no later than January 10, 2000; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1294, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1294, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1383                    Labor and Public Employment on S.B. No. 1149**

The purpose of this bill is to clarify that attorney's fees and other costs of the opposing party shall not be assessed against the Director of Labor and Industrial Relations (Director) in cases involving the enforcement of these laws, including the collection of unpaid wages.

The Department of Labor and Industrial Relations testified in support of the measure.

Your Committee finds that under current laws, the Director is not required to pay the filing fee or other costs incurred in pursuing the collection of unpaid wages. This bill serves to clarify that attorney's fees and costs of the opposing party also cannot be assessed against the Director in these cases.

Your Committee has amended this bill by:

- (1) Deleting its contents and inserting therefor, the contents of H.B. No. 1161, H.D. 1, which was heard earlier by your Committee, to provide additional clarification that the Director is not required to pay any fees or costs incurred in pursuing the collection of unpaid wages;
- (2) Amending section 104-24, Hawaii Revised Statutes (HRS), to restructure the penalty provisions so that:
  - (a) They are based on the specific instance of violation;
  - (b) A minimum dollar amount is established for the fine; and
  - (c) The fine is assessed for each instance of violation; and

- (3) Amending section 104-25, HRS, to clarify that, for a first or second violation, in the event of a contractor's failure to pay wages found due, failure to pay any penalty assessed, or both, penalties will include suspension from work on all contracts until all such wages and penalties are paid in full;
- (4) Amending section 104-25, HRS, to clarify that in the event of a third violation, penalties will include immediate suspension from work on all contracts for a period of three years; and
- (5) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1149, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1149, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1384 Labor and Public Employment on S.B. No. 1314**

The purpose of this bill is to allow the trustees of the Office of Hawaiian Affairs (OHA) to participate in and receive the same benefits from retirement benefits programs as other elected salaried state officials.

The Office of Hawaiian Affairs testified in support of the intent of this bill with amendments. The Hawaiian Political Action Council of Hawaii and the Spiritual Nation of Ku testified in opposition of this bill. The State Attorney General, the Employees' Retirement System, an OHA trustee, and a member of the public submitted comments on this bill.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions that:

- (1) Allow retired OHA trustees to participate in the Employees' Retirement System as class A members, effective July 1, 1999;
- (2) Tie employer contributions for the retirement benefits of OHA trustees to the Public Land Trust, as the Trust is the sole funding source for trustee salaries; and
- (3) Allow OHA trustees to buy back prior years of service, starting from July 1, 1993, as class A members of the ERS.

Act 165, Session Laws of Hawaii 1982, amended the definition of "elected official" for retirement purposes, to deny membership on a prospective basis to OHA trustees. However, effective July 1, 1993, OHA trustees were granted annual salaries and allowed to participate in the Health Fund. In essence, OHA trustees were given the same employment benefits as other state-elected officials, except for retirement benefits. Your Committee finds that this bill will provide the "missing piece" for OHA trustees by allowing them to participate in the state retirement program.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1314, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1314, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.

**SCRep. 1385 Higher Education on S.B. No. 666**

The purpose of this bill is to require the University of Hawaii to inform those who must register for the Selective Service of their obligation to comply with the Military Selective Service Act.

One individual testified in support of the bill. The Hawaii State Director of the Selective Service System testified in reluctant support of the intent of the bill, stating that informing students of their responsibility is certainly not the same as requiring male students to show proof of registration. The American Friends Service Committee testified in opposition to the bill.

The University of Hawaii testified that it will implement the requirements of this bill and make every effort to inform and urge all eligible males to register with the Selective Service.

Your Committee has amended the bill to provide that the University of Hawaii shall inform students of their obligation to register with the Selective Service System during pre-admission enrollment and registration.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 666, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1386 Higher Education and Labor and Public Employment on S.B. No. 538**

The purpose of this bill is to provide independence for the University of Hawaii (University) from the executive branch, notably in matters of budgeting, the expenditure of funds, and personnel management.

The University testified that the bill would advance those acts providing increased flexibility for the University that have previously been passed by the Legislature, permitting a more responsive approach to the management of its resources. The University of Hawaii Professional Assembly testified in support of the bill. The Department of Budget and Finance and the Hawaii Government Employees Association testified in opposition to the bill.

Your Committees find that the University has demonstrated a high level of responsibility in using the statutory flexibility created by the Legislature for the University in recent years. Recognizing that the State Constitution has established the University of Hawaii as a "body corporate," your Committees intend to make the University of Hawaii even more independent from the Executive Branch. Significantly, this bill separates the budgeting and expenditure processes of the University from the Executive Branch.

Regarding personnel management, the Governor has proposed to reform the State's civil service system. Therefore, at this time your Committees feel that it is premature to separate the University's personnel management system from the overall State personnel management system.

Your Committees have amended this bill by:

- (1) Deleting provisions relating to the creation of a separate personnel management system for the University;
- (2) Changing the effective date from July 1, 2099, to July 1, 1999; and
- (3) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 538, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 538, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1387 Education on S.B. No. 185**

The purpose of this bill is to codify the establishment and duties of the Hawaii State Student Council (HSSC).

Currently, the HSSC is sanctioned by the Board of Education and is charged with scheduling regular meetings for the discussion of student issues and concerns, recommending and advising courses of action to the Department of Education, maintaining communication with the Board of Education, and communicating its deliberations and activities to its representative school districts and student councils.

By codifying the establishment and duties of the HSSC, the Legislature would formally recognize the HSSC as the official organization of Hawaii's public schools. Codification would also reflect the Legislature's recognition and appreciation of the role students play in not only improving public education in the the State but also in participating in the formulation of educational policies.

The bill also transfers the duties and responsibilities of conducting a secondary school students conference under chapter 317, Hawaii Revised Statutes, to the HSSC.

Your Committee received favorable testimony from the Hawaii State Teachers Association and three representatives of HSSC. Your Committee also received comments from the Board of Education which expressed concerns regarding the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1388 Education on S.B. No. 1641**

The purpose of this bill is to require the state librarian to include more detailed information of the status of the libraries special fund and the library fee for enhanced services special fund in the state librarian's annual report to the legislature.

Your Committee finds that the legislature is the pivotal overseer of the way many funds are spent and that agencies' annual reports serve as the information source for this oversight. In this bill, requiring more detail from the state librarian will give the legislature a

better picture of where moneys are coming from, where these moneys are being allocated, and where the funds stand each year on June 30. The Legislature will also learn more about individual libraries and their respective financial status in terms of receipts and expenditures.

Your Committee recognizes that libraries have been hit hard by the current budgetary restrictions. More detailed annual reports about our libraries' financial condition can assist the legislature in its future deliberations concerning library finances.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1641, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1389                    Human Services and Housing on S.B. No. 1054**

The purpose of this bill is to enable persons convicted of substance abuse, but who are complying with treatment or who have not refused or failed to comply with treatment, to continue to receive financial assistance from the federal Temporary Assistance for Needy Families and Food Stamp programs by repealing the sunset date of Act 128, Session Laws of Hawaii 1997.

The Department of Human Services, the Department of Health, and the Hawaii Substance Abuse Coalition testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1390                    Human Services and Housing on S.B. No. 823**

The purpose of this bill is to require judges, when imposing a sentence, to consider the fact that the crime was committed in the presence of a minor as an aggravating factor of the crime.

The Honolulu Police Department, the Domestic Violence Clearinghouse, the Hawaii State Coalition Against Domestic Violence, the Windward Oahu Branch of the American Association of University Women, and several individuals testified in support of this bill. Child & Family Service testified in support of the intent of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu and the Hawaii State Commission on the Status of Women testified in support of the intent of this bill with suggested amendments. The Office of the Public Defender submitted comments on this bill.

Children who witness domestic violence are harmed in many ways. Domestic violence is a perpetuation of a violent cycle, and children of abuse grow up to be abusers themselves. Therefore, your Committee finds that when a crime of domestic violence is committed in the presence of a child, the batterer should receive an enhanced penalty for the added trauma caused to the secondary victims of the offense.

Upon further consideration, your Committee has amended this bill by adding a provision that recommends the addition of family court sentencing guidelines to consider whether:

- (1) There was a temporary restraining order, injunction, or other court order in effect, protecting the victim of the crime from the defendant; and
- (2) The victim was pregnant at the time of the offense, and the defendant knew or reasonably should have known of the victim's condition.

Your Committee is concerned about the City and County of Honolulu Prosecutor's comments regarding "aggravating factors" and respectfully requests that the Committee on Judiciary and Hawaiian Affairs review the legal ramifications of this issue.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 1391                    Human Services and Housing on S.B. No. 513**

The purpose of this bill is to increase availability of child care by including condominiums, apartments, and townhouses as types of residences eligible to be used as child care homes. This measure also clarifies duties and rights between child care homes and associations of apartment owners.

People Attentive to Children, the Good Beginnings Alliance, and many individuals testified in support of this measure. The Department of Human Services and the Hawaii State Commission on the Status of Women testified in support of the intent of this measure. The Association of Apartment Owners of Makakilo Hale 1 and many individuals testified in opposition to this measure. The State Farm Insurance and the Hawaii Council of Association of Apartment Owners submitted comments.

Your Committee finds that there is a need for more quality, licensed family child care providers. This measure will allow child care providers to operate day care within condominiums, apartments, or townhouses, while at the same time limiting the liability of homeowner associations and associations of apartment owners.

Your Committee is concerned that this measure may override condominium by-laws and declarations, thus prohibiting the right of self-governance granted by Chapter 514A, Hawaii Revised Statutes. Sensitive to this concern, your Committee respectfully requests the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs to examine this issue.

Your Committee has amended this measure by:

- (1) Requiring that when child care providers in condominiums, apartments, or townhouses care for:
  - (A) Five or six children, they must care for two or more children whose parents live in the building; and
  - (B) Four children or fewer, they must care for one or more children whose parents live in the building;
- (2) Establishing a Child Care Facilities Grant Fund to provide start-up or expansion capital to family child care homes and centers that are licensed or are seeking a license;
- (3) Sunsetting the provisions relating to child care in condominiums, apartments, and townhouses on June 30, 2001; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 513, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 513, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.  
(Representatives Stegmaier, McDermott and Pendleton voted no.)

**SCRep. 1392 Human Services and Housing on S.B. No. 570**

The purpose of this bill is to improve the quality of life on the Waianae Coast by extending the Waianae Coast Community Benchmarking Pilot Project to June 30, 2003.

The Department of Business, Economic Development, and Tourism (DBEDT), the Waianae Coast Comprehensive Health Center, the Waianae Coast Coalition, and several individuals testified in support of this measure.

Your Committee is supportive of the goals and activities of the benchmarking pilot project, and believes that its process improves the economy of the Waianae community and the lives of its residents.

Your Committee has amended this measure by:

- (1) Making an appropriation to fund:
  - (A) Various projects of the benchmarking pilot project; and
  - (B) The Hawaii Community Services Council for technical support;
- (2) Naming DBEDT as the expending agency;
- (3) Effectuating this measure upon its approval, since the project is an ongoing process; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 570, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 570, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, Stegmaier and McDermott.

**SCRep. 1393 Human Services and Housing on S.B. No. 1499**

The purpose of this bill is to allow the State Committee of Blind Vendors (Blind Vendors) to use moneys from the Randolph-Sheppard Revolving Account (Revolving Account) to hire private attorneys.

The Blind Vendors testified in support of this measure. The Department of the Attorney General (AG) testified in opposition to this measure. The Department of Human Services and the National Federation of the Blind commented on this measure.

Your Committee understands the Blind Vendor's position to seek private attorneys for representation, yet is cognizant of the AG's concerns. Your Committee has, therefore, amended this measure to create a system of checks and balances to determine if and when outside counsel is appropriate by:

- (1) Authorizing the Blind Vendors to hire private attorneys only after:
  - (A) The Blind Vendors seek representation from the AG; and
  - (B) The AG deems itself unable or unwilling to provide representation; or
  - (C) The Blind Vendors find the AG's representation inadequate;
- (2) Giving the AG 30 days to determine if the AG is unable or unwilling to provide representation;
- (3) Appropriating \$30,000 to carry out the purposes of the Revolving Account; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

Your Committee is unclear as to whether or not the practice of a state-funded or state-sponsored program, board, or commission to hire outside counsel to sue another state entity is in the public interest and a mechanism for resolving disputes. Your Committee would like to address the larger issue of appropriate outside hire of attorneys if the situation warrants. The extent to which this situation could or does occur is unknown, and therefore, your Committee requests the Legislative Reference Bureau (LRB) to examine cases in which a state-funded or state-sponsored program, board, or commission has filed suit against another state entity to determine:

- (1) The frequency of this occurrence;
- (2) The conditions under which the suits are or could be filed; and
- (3) In each case, whether the AG represented the plaintiff and, if not, the reasons for outside counsel.

Your Committee also requests LRB to report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1499, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1394 Human Services and Housing and Health on S.B. No. 157**

The purpose of this bill is to restore dental benefits to adults covered by the Medicaid and Med-QUEST programs on a fee for service basis through the Department of Human Services' (DHS).

The Office of Hawaiian Affairs, the Commission on Persons with Disabilities, the Arc in Hawaii, the State Planning Council on Developmental Disabilities, the League of Women Voters of Hawaii, the Hawaii State Primary Care Association, the Waianae Coast Comprehensive Health Center, the Honolulu Monthly Meeting of the Religious Society of Friends, and many individuals testified in support of this measure. DHS commented on this measure.

Your Committees find that due to budget cutbacks, the Department of Health (DOH) and community health centers, in addition to Medicaid and Med-QUEST programs, have either discontinued or scaled down adult dentistry services for adults. In effect, this has prohibited adults with disabilities and the elderly from maintaining optimum health.

To restore preventive dental services, your Committees have amended this measure by appropriating additional funds to DOH and community health centers to provide preventive dental services for adults. Technical, nonsubstantive amendments have also been made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 157, S.D. 1, as amended herein, and



recommend that it pass Second Reading in the form attached hereto as S.B. No. 157, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1395 Human Services and Housing and Health on S.B. No. 172**

The purpose of this bill is to expand health coverage to uninsured children by appropriating funds from the General Fund for the Children's Health Insurance Program (CHIP).

The Waianae Coast Comprehensive Health Center, the Healthcare Association of Hawaii, the Hawaii State Primary Care Association, and the Hawaii Nurses' Association testified in support of this measure. The Departments of Human Services and Health testified in support of the intent of this measure.

Your Committees recognize that state participation in CHIP is an important opportunity for Hawaii to capture federal matching funds to provide health coverage for uninsured children from low-income families.

Providing the State's match for CHIP is of such a high priority to your Committees that this measure has been amended by:

- (1) Providing the State match through the proposed Tobacco Agreement Special Fund (Special Fund); and
- (2) Using general funds for the State match if the Special Fund cannot be used.

Your Committees have also made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 172, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 172, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives McDermott and Pendleton.

**SCRep. 1396 Consumer Protection and Commerce on S.B. No. 813**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds and refunding special purpose revenue bonds to assist the gas utility in providing gas service to the general public.

Testimony in support of this measure was received from The Gas Company.

To assure further discussion of this measure, your Committee has amended this bill by replacing its contents with that of H.B. 1287, H.D. 1, which is substantially similar to the Senate bill. H.B. 1287, H.D. 1 was passed out earlier this session by your Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 813, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 813, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1397 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 949**

The purpose of this bill is to enact the Uniform Unincorporated Nonprofit Association Act.

In particular, this bill establishes a system under which an unincorporated nonprofit association is created as a legal entity for purposes of transferring real and personal property, tort and contractual liability purposes, and legal standing.

Your Committees received testimony in favor of this measure from the Department of Commerce and Consumer Affairs and the State Commission to Promote Uniform Legislation.

Your Committees agree with the intent of this bill, which has already been enacted in nine other states, and find that it will help to protect various unincorporated organizations, such as children's little league baseball clubs, parent-teacher associations, and neighborhood community groups, by shielding members from contractual or tort liability and by giving the association legal status to receive and convey contributions of property.

Your Committees further find that this measure is very similar to H.B. No. 1270, H.D. 1, which was heard earlier this session by your Committees.

As affirmed by the record of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that is attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 949, S.D. 1, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Takumi, Yoshinaga, P. Oshiro, Auwae, Pendleton, Halford and Thielen.

**SCRep. 1398                      Culture and the Arts on S.B. No. 1138**

The purpose of this bill is to enable the transition of public television from a public entity to a private entity by transferring the assets and obligations of the Hawaii Public Broadcasting Authority (HPBA) to the Hawaii Public Television Foundation (HPTF).

HPBA submitted testimony in support of the bill. The Department of Budget and Finance concurred with the intent of the bill. The Hawaii Government Employees Association opposed the intent and purpose of the bill, expressing the concern that without State support, it will be impossible to keep public television financially viable.

Your Committee finds that, due to the State's financial situation, State funding for public television has been dramatically reduced in recent years. Federal funding has also been reduced, and public funding for public television is not expected to improve in the foreseeable future.

HPTF was created for the initial purpose of fundraising, then eventually for operating public television in Hawaii. Your Committee finds that, under current economic conditions, the transfer of public television to this private entity is the most viable means of maintaining public television in Hawaii.

Your Committee has amended the bill by:

- (1) Exempting State appropriations to HPTF from the State's grants, subsidies, and purchase of services requirements of Chapter 42D, Hawaii Revised Statutes, and authorizing direct appropriations to HPTF; and
- (2) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1138, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1138, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 1399                      Health on S.B. No. 102**

The purpose of this bill, as received, is to improve the health of Hawaii's rural communities by:

- (1) Developing a statewide rural health plan;
- (2) Creating a Rural Health Special Fund;
- (3) Requesting the counties to establish a position for a Rural Transportation Coordinator; and
- (4) Authorizing the Hawaii Health Systems Corporation (HHSC) to issue revenue bonds in the sum of \$60,000,000 for capital improvement projects (CIP) for its rural facilities.

Testimony in support of Part I was received by the Department of Health (DOH), the Office of Hawaiian Affairs (OHA), the Hawaii County Office of Aging, and many individuals. HHSC testified in support of the intent of Part I.

Testimony in support of Part II was received by OHA. HHSC testified in support of the intent of Part II. DOH and the Department of Budget and Finance commented on Part II.

Your Committee finds that the development of a statewide rural health plan described in Part I is critical to improving the health for all of the State's rural communities. However, your Committee finds that Part II, which authorizes revenue bonds to HHSC for CIP for its rural facilities, is duplicative of similar measures moving through both the House of Representatives and the Senate, and therefore believes that this part should be deleted.

Your Committee has amended this measure by deleting the provisions of Part II and replacing it with language that protects the public health of the State by implementing a cost recovery mechanism to allow commercial mobile radio service providers to recover costs incurred for providing wireless enhanced 911 services.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 102, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 102, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Kawakami.

**SCRep. 1400 Consumer Protection and Commerce on S.B. No. 528**

The purpose of this bill is to avoid conflicts between state and federal laws relating to health insurance and clarify jurisdiction over health insurance programs, by exempting health insurance programs offered by mutual benefit societies, health maintenance organizations, and managed care plans under programs funded by the federal Social Security Act, from State mandated health benefits requirements as well as those under the Patients' Bill of Rights and Responsibilities Act, chapter 432E, Hawaii Revised Statutes (chapter 432E).

The Department of Human Services (DHS) testified in support of this bill. Your Committee received comments on the bill from the Insurance Commissioner of the Department of Commerce and Consumer Affairs (DCCA). The Hawaii Medical Association (HMA) testified in strong opposition to the bill, and the Hawaii Coalition For Health (HCFH), in strong opposition to the provisions of the bill that would exempt the poor who are the recipients of federal Med-QUEST (QUEST) medical services, from chapter 432E.

DHS stated that under QUEST, patients are provided with a federally defined grievance process and may eventually appeal to the DHS. DHS expressed concern that if exemptions from State mandated health benefits and requirements are not provided, the State may be required to cover the entire cost of these benefits and requirements.

DCCA commented that the purpose of the bill was to clarify jurisdiction over health insurers, stating that the Insurance Division and the Med-QUEST Division have been unable to determine whether state mandated health benefits must be offered to QUEST recipients. DCCA also noted that it is not sufficiently clear where federal and state jurisdiction over the QUEST grievance process begins and ends, but that DCCA would be amenable to adjudicating grievances for all under chapter 432E.

The HCFH testified that the 1998 Patient Rights and Responsibilities Act was fought for by consumer groups such as the HCFH with the QUEST population partly in mind. HCFH testified that chapter 432E was needed because DHS has failed to supervise the conduct of health plans providing QUEST medical services, remedy the substantial deficiencies in participating provider networks, correct long delays in getting newborns and other new patients on board for receipt of services and medications, and correct long delays in the processing of claims for payment. The individual testifying for HCFH stated that the DHS' grievance procedure is little known and unpublicized, and has, in her many years of service to QUEST patients, been of no avail to the testifier or her patients. HCFH also stated that Chapter 432E is necessary because it provides some supervision over the DHS' health plans, including protections such as the requirement that health plans have adequate numbers and types of participating providers, and the requirement that there be timely claims payments.

The HMA testified that they had grave concerns about this bill, that would deny the poor the ability under chapter 432E to appeal an adverse decision of a managed care health plan to an external review panel appointed by the insurance commissioner. HMA also stated that excluding QUEST patients from chapter 432E would deny protections such as enrollee participation in treatment decisions, and the right to be provided specific information about an enrollee's health plan.

Your Committee is concerned that exempting QUEST patients from chapter 432E would leave the most vulnerable members of our society with little protection or recourse in situations where they encounter problems obtaining essential health services. Your Committee also believes that the issue of whether state-mandated benefits and requirements that overlap with or otherwise affect federal requirements would result in the loss of federal funding, merits additional examination and requires resolution. Accordingly, your Committee has amended this bill to address your Committee's concerns and initiate further discussion by:

- (1) Deleting the provision that exempts health insurance offered under a program funded by the Social Security Act from the Patients' Bill of Rights and Responsibilities Act under chapter 432E, Hawaii Revised Statutes;
- (2) Including an unspecified effective date; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1401 Consumer Protection and Commerce on S.B. No. 1021**

The purpose of this bill is to:

- (1) Facilitate the Department of Health's (DOH) administration of the clinical laboratory licensing program by amending licensing categories to provide clarity; and

- (2) Adopt proposed Hawaii Administrative Rule amendments regarding clinical laboratory personnel to resolve conflicts between existing licensing categories and Public Health Regulations, Chapter 30.

DOH commented on the bill and requested that a number of amendments be made to the bill. Similar amendments were requested by Diagnostic Laboratory Services, Inc., and the American Society of Clinical Pathologists, who were concerned that the bill as written establishes categories of laboratory practitioners that do not conform with those recognized by federal and certifying agencies, and commonly used in the industry.

Your Committee has amended this bill as requested by DOH, by:

- (1) Deleting the category of clinical laboratory technologist and substituting the category of medical laboratory technologist;
- (2) Deleting the category of clinical laboratory cytotechnologist and substituting the category of cytotechnologist; and
- (3) Adding the category of medical laboratory technician.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1021, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1402                      Consumer Protection and Commerce on S.B. No. 1128**

The purpose of this measure is to amend various provisions of the Insurance Code by:

- (1) Increasing fines for the violation of the Insurance Code from not less than \$10 nor more than \$1,000, to not less than \$100 nor more than \$10,000;
- (2) Rewriting a licensing provision applicable to fraternal benefit society agents to clarify applicability; and
- (3) Ensuring that mutual benefit society policies are readable by requiring that they meet the standards of the Flesch Reading Ease test.

Your Committee understands that this bill contains the contents of H.B. No. 1066, H.D. 1, which was passed out earlier this session by your Committee.

Your Committee received supporting testimony from the state insurance commissioner and from the Hawaii Medical Service Association (HMSA).

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1403                      Consumer Protection and Commerce on S.B. No. 1452**

The purpose of this bill is to implement the recommendations of the Patient Rights and Responsibilities Task Force (Task Force) that was established under Act 178, Session Laws of Hawaii 1998, to review and strengthen various laws providing protection of patients.

Your Committee received testimony strongly supporting this bill from the Insurance Commissioner of the Department of Commerce and Consumer Affairs. Many members of the Task Force also submitted testimony supporting passage of this bill, including the Hawaii Medical Association, Healthcare Association, Hawaii Medical Services Association, Hawai'i Nurses Association, Hawaii Coalition for Health, Kaiser Permanente, AARP and the Chair of the Access to Services Task Force subcommittee. Queen's Health Management (QHM), a recently appointed member of the Task Force, offered comments on the bill.

State Farm, Hawaii Insurers Council opposed provisions amending the motor vehicle insurance laws to include three new definitions of "emergency medical condition," "emergency services," and "stabilization." Hawaii Emergency Physicians Associated Inc. supported inclusion of these definitions.

AARP commended the Patients Bill of Rights and Responsibilities Act, Act 178, Session Laws of Hawaii 1998 (Act 178), as farsighted legislation showing that Hawaii was determined to avoid the many problems that health care consumers in health

maintenance organizations have been subject to in other states. AARP stated that this bill would remedy deficiencies in Act 178, and praised the bill as depending, not on the general fund, but upon a health insurance revolving fund derived from health plans.

HMSA testified that although not all members of the Task Force were in unanimous support of every aspect of the bill, all members had met together on February 26 and agreed to support the original Task Force bill, S.B. No. 1452, in the interest of advancing the Task Force's work product and continuing its progress on unresolved issues.

QHM commented that the health plan members of the Task Force had expressed particular concern about the external administrative review process, and had proposed alternatives. QHM stated that there were additional concerns about the scope of review under the external administrative review process, standards for review, payment of attorney's fees, and the benefit determination process. However, it was the consensus of the Task Force that the best interest of patients in Hawaii was of primary and overriding concern, and that the Task Force would reconvene after session to fully explore the external independent review processes and any other issues regarding the review process.

Upon consideration of the testimony, your Committee has amended this measure by replacing its contents with that of S.B. No. 1452 but deleting the amendments to the motor vehicle insurance law in S.B. No. 1452, which were not consistent with legislative intent in establishing the Task Force.

In addition, your Committee has added provisions requiring the Task Force to submit to the Legislature, before the 2000 legislative session, proposed legislation concerning issues left unresolved by this bill.

Your Committee expresses its appreciation to the Task Force for its extraordinary efforts on behalf of Hawaii's consumers, and requests that the Task Force continue its exemplary work by examining the external appeals process, and any other unresolved issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1452, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1452, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1404 Education and Labor and Public Employment on S.B. No. 1501**

The purpose of this bill is to establish a comprehensive education package with the goal of promoting greater learning and school success for children of all ages. To accomplish this, the bill is comprised of four distinct parts that, when viewed as a whole, reflect a system of care that will ensure that Hawaii's children will be prepared for and will succeed in school.

Specifically:

- (1) Part I of the bill appropriates funds to develop an Early Childhood Development and Education Center for infants and children up to four years of age in the Kalihi area of Honolulu;
- (2) Part II of the bill provides parents or guardians of a child access to screening for the child for psychological and cognitive, language, motor, and behavioral or social-emotional development between the child's second and third birthday and makes an appropriation therefor;
- (3) Part III of the bill seeks to provide adolescents with access to quality, affordable health care in an environment that is familiar, non-threatening, and encouraging through school-based health centers by requiring the Director of Health to establish at least one school-based health center in each departmental school district of the Department of Education and appropriating funds therefor; and
- (4) Part IV of the bill creates a process whereby up to twenty-five existing public schools and new schools may be established as a New Century School with alternative educational programs.

Like the bill itself, much of the testimony received by your Committees was divided and focused on the individual parts of the bill. Accordingly, the testimony received and your Committees' findings have been divided into Parts I through IV and summarized as follows:

Part I:

Testimony in support of Part I was received from the Healthy Mothers Healthy Babies Coalition of Hawaii. Testimony in support of the intent of Part I was received from the Department of Education (DOE), the Department of Health (DOH), and the Good Beginnings Alliance.

Your Committees find that quality early childhood education and care services increase a child's ability to succeed in school with peers and to eventually become a contributing member of the community. Your Committees further find that Kalihi is in need of increased early childhood care and education programs.

Part II:

Testimony in support of Part II was received from the Healthy Mothers Healthy Babies Coalition of Hawaii and the Kahuku Complex Schools. Testimony in support of the intent of Part II was received from DOH. Project SEEK testified in support of Part II provided it is amended to ensure that all parents of young children "shall" have access to developmental screening.

DOE testified that while in support of the intent to provide early detection and remediation for early childhood learning problems, the process of detection described is redundant to the DOE's existing "Child Find" efforts.

The Department of Budget and Finance (DB&F) commented that DOH and private providers already provide screening and early intervention treatment services for children from 0 to 5. The Good Beginnings Alliance commented on Part II.

Your Committees find that early childhood screening, identification, and intervention for developmental delays and psychosocial problems can improve children's school success and family functioning. Your Committees further find that standardized screening and referral protocols will help to ensure timely identification and intervention. This bill creates an opportunity for public agencies, the University of Hawaii, and private health care providers to collaborate to develop screening and referral protocols that will effectively catch and address individual children's needs so that they can succeed in school.

#### Part III:

Testimony in support of Part III was received from the Healthy Mothers Healthy Babies Coalition of Hawaii, Kooka Kalihi Valley, the Hawaii Nurses' Association, the Kahuku Complex Schools, and a pediatric nurse practitioner. Testimony in support of the intent of Part III was received from DOE and DOH.

DB&F testified that establishing school-based health centers would duplicate services already provided by private and public health care providers.

Your Committees find that school-based health care centers have been determined to be an effective adolescent wellness model. School-based health care centers focus on prevention and early intervention and are able to provide a continuum of services for all students. Your Committees feel that these centers should be available in every departmental school district.

#### Part IV:

Testimony in support of Part IV and the development of New Century Schools was received from Punana Leo O Waimea, the Kanu o ka 'Aina Teaching Team, 'Ohana o Kanu o ka 'Aina, the Wildlife Conservation Association of Hawaii, the Hawaii Business Roundtable, the Healthy Mothers Healthy Babies Coalition of Hawaii, the South Maui Learning Ohana, Maui Research and Technology Park, the Estate of James Campbell, the Native Hawaiian Education Council, the Kahuku Complex Schools, and a number of concerned students, parents, and teachers.

Testimony in support of the intent of Part IV was received from DOE, DB&F, the Hawaii State Teachers Association (HSTA), the Hawaii Government Employees Association (HGEA), and the Department of Human Resources Development. HSTA and HGEA also proposed several amendments to Part IV of the bill. DB&F raised several funding and budgeting concerns.

Your Committees find that the concept of New Century Schools, also known as charter schools, defines a new and improved approach to education, one that is free of bureaucratic red tape and accommodates the individual needs of students. New Century Schools will allow schools increased flexibility and autonomy, with a local school board serving as the governing body of each school, in exchange for greater accountability for student performance.

Your Committees further find that the development and nurturing of New Century Schools will allow the State to dramatically improve its educational standards for the twenty-first century. Currently, there are charter schools operating in over 23 states, and emerging data suggest that charter schools are spurring reform in traditional public schools. In addition, a study done by the Center for School Improvement at the University of Minnesota of 30 charter schools in 9 states indicated that 68 percent of charter schools demonstrated improved student achievement. And, other studies have shown that charter schools are not only improving students' interest in school, but are enhancing teachers' levels of satisfaction.

After careful consideration of the testimonies received on all parts of this bill, your Committees have amended the bill by:

- (1) Deleting Part I of the bill, a topic that is currently being addressed in another bill, S.B. No. 512, H.D. 2, S.D. 1;
- (2) In Part IV, changing the name of the new part to be designated and inserted into the Hawaii Revised Statutes, and references therein, from "New Century Schools" to "New Century Charter Schools," to ensure that new schools created pursuant to this bill are eligible for federal funding under the federal Charter School Expansion Act of 1998;
- (3) In Part IV, deleting the requirement in sections 302A-B and 302A-C that the creation of a New Century Charter School requires an executive order of the Governor, and providing that the Board of Education (BOE) shall be responsible for designating schools as New Century Charter Schools;
- (4) In Part IV, providing in section 302A-C that the completed implementation plan for each proposed New Century Charter School, upon designation as a New Century Charter School, shall serve as the basis of a performance contract between the school and the BOE;

- (5) In Part IV, amending section 302A-D to include exemptions from State procurement laws, provided that schools proceed responsibly in procurement and maintain accounting systems that are open to public scrutiny;
- (6) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1501, S.D. 3, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1501, S.D. 3, H.D. 2.

Signed by all members of the Committees except Representatives Okamura, Goodenow, Leong and Rath.

**SCRep. 1405                      Education on S.B. No. 869**

The purpose of this bill is to ensure the adequate provision of school counselors for "at-risk students" at certain schools.

The bill defines "at-risk students" as "students with a family court record or failing grades, or both, or who need special motivation with particular attention paid to them".

Your Committee finds that the counselor-student ratio in Hawaii seriously lags behind the ratio recommended by the American School Counselor Association. Hawaii currently has double the ratio recommended by the Association of three hundred students to one counselor. This translates into an enormous workload for counselors who not only cannot provide adequate attention to at-risk students, but also neglect other not-at-risk students with different problems and concerns.

The problem is further exacerbated in school districts where large percentages of children live in poverty, are on public assistance, and have limited English proficiency.

Your Committee finds that concentrating counselor resources in needed areas is essential to providing quality education to not only at-risk students, but for all other students who depend on the assistance of school counselors.

Your Committee received favorable testimony from the Hawaii State Teachers Association, a retired teacher, and a high school counselor. The Department of Education supported the intent of the bill and submitted comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 869, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Morihara and McDermott.

**SCRep. 1406                      Education on S.B. No. 1307**

The purpose of this bill is to promote accountability in the public school system by requiring the Department of Education (DOE) to establish a comprehensive system of educational accountability to motivate and support the improved performance of students and the education system.

The DOE and the Hawaii State Teachers Association submitted testimony in support of the bill.

While supporting the bill, the DOE recommended amendments to it. Your Committee agrees with these recommendations and has amended the bill by:

- (1) Recognizing that the accountability system requires financial resources and support by the Legislature; and
- (2) Including in the required report the specifics of the design of the accountability system, fiscal requirements, and legislative actions needed; and
- (3) Directing the report to be submitted to the Board of Education, in addition to the Legislature and the Governor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1407                      Labor and Public Employment on S.B. No. 206**

The purpose of this bill is to eliminate discretion in the amount of penalty assessed against an employer who fails to pay wages in a timely manner by specifying that the penalties assessed will be in the amount equal to unpaid wages.

The National Employment Lawyers Association (NELA) and Consumer Lawyers of Hawaii (CLH) testified in support of this bill with amendments.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting the substance of a similar bill, H.B. 102, H.D. 2. Your Committee notes that H.B. 102, H.D. 2, passed out of the House of Representatives earlier this session, after public hearings before this Committee and the Committee on Judiciary and Hawaiian Affairs.

Your Committee acknowledges the points raised by NELA and CLH that this bill also apply to pending cases. NELA and CLH testified that providing specific and concrete measures of damages that are not open to debate, will facilitate out-of-court settlements for pending cases. Your Committee respectfully requests that the Committee on Finance review the fiscal ramifications of this issue.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 206, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hiraki and Okamura.  
(Representative Rath voted no.)

**SCRep. 1408                      Labor and Public Employment on S.B. No. 450**

The purpose of this bill is to continue the ongoing work to:

- (1) Transform the State's accounting system and budgeting system to a performance-based budgeting system, and
- (2) Develop a managed process that enables state and county governments to implement public-private compensation for government services.

The County of Kauai Office of the County Attorney, the National Federation of Independent Business, Hawaii Pacific Engineers, the Building Industry Association of Hawaii, Fewell Geotechnical Engineering, the American Society of Civil Engineers, Consulting Structural Hawaii, Consulting Engineers Council of Hawaii, the Hawaii State Council of the American Institute of Architects, PLA Incorporated, the Small-Business Economic Revival Force, and a Kauai County Councilmember testified in support of this measure. The City and County of Honolulu, Department of the Corporation Counsel testified in support of the intent of this measure. The United Public Workers testified in opposition to this measure. The Department of Budget and Finance submitted comments.

Your Committee notes that it does not want to second guess, nor stifle, the special committee discussions mandated by Act 230, Session Laws of Hawaii (SLH) 1998, by dictating the substance and content of the discussions.

Your Committee has amended this measure by:

- (1) Changing the effective date to August 15, 2001;
- (2) Deleting the sunset dates relating to parts III and IV of Act 230, SLH 1998 (relating to managed process); and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 450, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 450, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1409                      Labor and Public Employment on S.B. No. 1117**

The purpose of this bill is to require the Procurement Policy Office to adopt rules for a managed procurement process that evaluates the efficiency, effectiveness, and economy of the purchase using uniform accounting standards.

The Fewell Geotechnical Engineering, Ltd., Consulting Structural Hawaii, Inc., Paul Louie & Associates, Inc., Hawaii Pacific Engineers, Inc., the American Institute of Architects Hawaii State Council, Consulting Engineers Council of Hawaii and an individual submitted testimony in support of this bill.

The State Procurement Office opposed this bill. The State Attorney General submitted comments.

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

- (1) Requiring the assistance of the Department of Budget and Finance in the adoption of rules for the managed procurement process;



- (2) Inserting the contents of H.B. No. 1002, H.D. 1, which was heard earlier this session by the Committee on Judiciary and Hawaiian Affairs and exempts contracts for legal services outside Hawaii from the requirements of the State Procurement Code;
- (3) Changing the effective date to July 30, 2001; and
- (4) Making technical, nonsubstantive amendments for clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1117, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1117, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1410 Labor and Public Employment on S.B. No. 1150**

The purpose of this bill is to:

- (1) Correct errors in the Boiler and Elevator Safety Law;
- (2) Increase the penalty from \$1,000 to \$10,000 for violating a safety order as a deterrent for operating regulated equipment in an unsafe manner or in violation of boiler and elevator rules;
- (3) Specify that amusement rides are subject to the Boiler and Elevator Safety Law; and
- (4) Ensure that the Boiler and Elevator Safety Revolving Fund will continue to be exempt from central service expenses under section 36-27, Hawaii Revised Statutes, to maintain fees at existing levels.

The Department of Labor and Industrial Relations testified in support of this measure.

Your Committee notes that this bill is similar in the general purpose and intent to H.B. No. 1162, H.D. 2, which was passed out of the House of Representatives after public hearings in this Committee and the Committee on Finance.

Your Committee has amended this bill by:

- (1) Changing the effective date to September 15, 2001; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1150, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Hamakawa, Hiraki and Okamura.  
(Representative Rath voted no.)

**SCRep. 1411 Labor and Public Employment on S.B. No. 1046**

The purpose of this bill is to modernize the State's civil service by:

- (1) Requiring the Director of Human Resources Development (Director) to identify and work collaboratively with the various stakeholders governed by the provisions of chapters 76 to 82, Hawaii Revised Statutes (HRS), to:
  - (A) Discuss chapters 76 to 82, HRS; and
  - (B) Draft replacement legislation, if deemed necessary; and
- (2) Requiring the Director to submit monthly progress reports to the Legislature;
- (3) Requiring the Director and the stakeholders to submit:
  - (A) Draft model civil service legislation to a joint House and Senate Labor Committee meeting on November 15, 1999; and
  - (B) Finalized civil service legislation by January 15, 2000; and
- (4) Repealing chapters 76 to 82, HRS, provided that the Legislature has adopted replacement legislation.

The Judiciary testified in support of this bill. The United Public Workers testified in support of the intent of this bill. The Hawaii Government Employees Association testified in support of this bill with one concern. The State of Hawaii Organization of Police Officers testified in opposition to this bill. The Department of Human Resources Development submitted comments on this bill.

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

- (1) Requiring the Director to establish a task force and work collaboratively with the task force to modernize current civil service laws;
- (2) Specifying that the task force include:
  - (A) The Chairperson of the Senate Committee on Labor and Environment;
  - (B) The Chairperson of the House Committee on Labor and Public Employment;
  - (C) The Director of Human Resources Development;
  - (D) Seven members to be designated by the Senate President and the Speaker of the House of Representatives, as follows:
    - (i) One representative from each of the six public employee unions; and
    - (ii) One representative from the Council of Personnel Directors; and
  - (E) Other interested individuals with relevant expertise to be designated by the Director of Human Resources Development;
- (3) Specifying the issues that the Director and the stakeholders should discuss and examine;
- (4) Deleting the requirement for the Director to present revised civil service legislation to the Legislature by January 15, 2000; and
- (5) Allowing the Director to study beyond the specific chapters of 76 to 82, HRS.

Your Committee finds that this bill creates an opportunity to encourage all stakeholders to work collaboratively to co-create a modernized civil service. The "fresh-start" concept integrated into this bill will not only serve to "clear-the-deck" but also captures the public's attention and thus provides the drive to seriously engage in the process of co-creating a new statutory framework by all stakeholders.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1412 Labor and Public Employment on S.B. No. 1638**

The purpose of this bill is to require the Department of Education (DOE) and the exclusive representative for bargaining unit 6 to conduct a study on the issue of compensational parity for educational officers of DOE.

The Hawaii Government Employees Association testified in support of this measure. DOE concurred with this measure.

Your Committee believes that a study on compensational parity will be helpful in outlining and clarifying the problems and concerns in this area. Such a study will also be helpful to DOE, educational officers, and other decision-makers in establishing priorities in the collective bargaining process.

Your Committee has amended this measure by changing the effective date to March 1, 2001 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1638, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1638, S.D. 2, H.D. 1.

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

**SCRep. 1413 Labor and Public Employment on S.B. No. 605**

The purpose of this bill is to promote civil rights and freedom from violence or intimidation. Specifically, this bill:

- (1) Creates a civil cause of action for hate or bias motivated acts;
- (2) Establishes extended terms of imprisonment for hate crime offenders; and
- (3) Creates a hate crime reporting mechanism.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the Democratic Party of Hawaii, the Gay and Lesbian Education and Advocacy Foundation, the Gay and Lesbian Community Center, the Filipino Coalition for Solidarity, Inc., Lambda Aloha, Kauai's Bisexual, Transgendered, Lesbian and Gay Education, Advocacy and Research Organization, and members of the public testified in support of this bill. The Honolulu Police Department testified in support of the intent of this bill with a suggested amendment. The State Attorney General and the American Civil Liberties Union of Hawaii testified in support of the intent of this bill with concerns. The Christian Voice of Hawaii and Concerned Women for America testified in opposition to this bill.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions establishing a temporary pilot program to compile, track, and analyze hate crimes data in Hawaii.

Your Committee finds that crimes and threats against persons because of their race, color, religion, ancestry, national origin, gender, transgender, sexual orientation, age, or disability are a significant and growing problem across the nation. This is an issue debated nationally and is currently pending before the United States Congress.

According to the Southern Poverty Law Center (SPLC), Hawaii is not a center of hate crime activity compared to other states. The SPLC recorded only one nonviolent hate incident for 1998, in Keaau, Hawaii, where a swastika and "Heil, Hitler" were sprayed-painted on an elementary and intermediate school.

Your Committee further finds that the lack of information regarding hate crimes perpetrated in Hawaii has caused a real need to gather and evaluate hate crimes data at the state level. This bill, as amended, addresses this need by establishing a temporary pilot program to compile, track, and analyze hate crimes data in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura and Rath.  
(Representatives Catalani and Takai voted no.)

**SCRep. 1414 Labor and Public Employment on S.B. No. 635**

The purpose of this bill is to provide guidelines for substance abuse on-site screening tests.

Testimony in support of this measure was submitted by Hoffman LaRoche Pharmaceuticals. Comments on the measure were submitted by the Department of Health. Testimony in opposition to the measure was submitted by the American Civil Liberties Union of Hawaii, Unity House, Inc., and ILWU Local 142.

Your Committee emphasizes that this measure is not to be construed as a preemption of any right obtained through collective bargaining.

Your Committee finds that employers should be given the flexibility to reduce their costs in conducting drug screening, if their actions are consistent with collective bargaining agreements, and so long as employees can be confident in the accuracy of the tests.

Your Committee has amended the measure by:

- (1) More clearly identifying the standards that must be met in administering the tests;
- (2) Requiring that the employer provide certain information and material to the employee prior to the collection of any sample;
- (3) Providing that a positive confirmatory test shall be reviewed by a licensed medical review officer;
- (4) Requiring training of the operator who administers the test;
- (5) Requiring the director to maintain a list of approved substance abuse on-site screening tests; and
- (6) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, S.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Goodenow, Okamura and Rath.  
(Representative Catalani voted no.)

**SCRep. 1415 Labor and Public Employment on S.B. No. 1231**

The purpose of this bill is to prohibit smoking in state-controlled and state-owned workplaces and vehicles.

The Hawaii Medical Association and the Coalition for a Tobacco Free Hawaii testified in support of the intent of the measure. The Department of Health, the Convention Center Authority Board, the American Lung Association of Hawaii, the United Public Workers, the Hawaii Nurses Association, and an individual opposed the measure.

Your Committee finds that regulation of smoking in the workplace is an important issue that merits further discussion. At this time, your Committee believes that the discussion should begin with addressing the public workplace. In time, private places of employment may be addressed.

Your Committee has amended this bill by:

- (1) Narrowing the ban to include only enclosed areas of public workplaces and vehicles;
- (2) Exempting from the ban dining areas, certain banquet and meeting facilities, private functions at convention center facilities, guest rooms of hotels and hotel-condos, and involuntarily confined residents of state and county institutions;
- (3) Allowing the counties to impose more stringent smoking prohibitions;
- (4) Authorizing the Department of Health and the respective counties to enforce the ban; and
- (5) Repealing section 328K-13, Hawaii Revised Statutes, relating to regulation of smoking in the office workplace.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, S.D. 3, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as S.B. No. 1231, S.D. 3, H.D. 2.

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

**SCRep. 1416 Labor and Public Employment on S.B. No. 803**

The purpose of this bill is to provide for a planned reduction in the size of Hawaii's government and a framework for the orderly restructuring of government programs. Specifically, this bill:

- (1) Requires all heads of departments, the Judiciary, and the University of Hawaii (UH) to submit strategic workforce reduction and reorganization draft plans and final plans;
- (2) Requires each department, the Judiciary, and UH to implement its strategic plan within one month after final approval and prepare annual status reports;
- (3) Provides for the use of voluntary separation incentive programs, specifically, transitional severance benefits;
- (4) Provides for a process by which affected employees may elect for early retirement benefits;
- (5) Allows the affected department or agency head to keep positions if they:
  - (A) Establish a mentoring agreement with employees who would otherwise qualify for retirement or transitional severance benefits under this Act; and
  - (B) Deem that the employee's retention is essential to ensuring that direct services to the public are not compromised;
- (6) Allows for an extended training period for replacement employees required as a result of implementing the strategic plan;
- (7) Requires the Department of Human Resources (DHRD) and the Judiciary, in cooperation with the Employees' Retirement System, to provide educational briefings to all affected employees;
- (8) Requires DHRD to develop and coordinate career transition programs for all affected employees; and

- (9) Gives the county mayors, with the approval of the respective county council, discretion with respect to county participation in the voluntary separation program.

The Judiciary and the Public Employees Management Association of Hawaii testified in support of this bill. The Hawaii State Teachers Association testified in support of the concept of this bill. The Department of Human Resources Development testified in support of the intent of this bill. The Hawaii Government Employees Association testified in opposition to this bill. The Employees' Retirement System submitted comments on this bill.

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

- (1) Deleting the provision which allowed the heads of affected departments or agencies to keep positions if the department or agency:
- (A) Established a mentoring agreement with affected employees; and
  - (B) Deemed that the employee's retention is essential;
- (2) Deleting the preemption of employee rights under reduction in workforce policies, collective bargaining agreements, rules and procedures, placement and bumping under collective bargaining agreements, or special retirement incentives when an employee receives transitional severance benefits;
- (3) Deleting graduated transition severance benefits based on years of service and replacing them with a cap of \$25,000;
- (4) Deleting the provision that states that no employee who is eligible to retire without penalty or eligible to retire pursuant to this section shall be eligible for the transitional severance benefits offered under section 3 of the bill; and
- (5) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee finds that as the State enters the new millennium, the citizens of Hawaii require, demand, and deserve a government that is responsive, efficient, and flexible to address the ever changing needs of a modern society. This bill reinvents government and way it operates, to achieve lower costs, better productivity, and higher efficiency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 803, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 803, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura, Moses and Rath.

**SCRep. 1417 Labor and Public Employment on S.B. No. 1151**

The purpose of this bill is to add sexual orientation as a protected status in the laws against discrimination in public accommodations and real property transactions. This bill also adds familial status as a protected status in the anti-blockbusting law.

The Hawaii Civil Rights Commission, the Hawaii State Commission on the Status of Women, the League of Women Voters of Hawaii, the American Civil Liberties Union of Hawaii, Lambda Aloha, the Gay and Lesbian Community Center, the Church of the Crossroads, the Gay and Lesbian Education and Advocacy Foundation and members of the public testified in support of the bill. Christian Voice of Hawaii and the Hawaii Family Forum testified in opposition to the measure. Members of the public also commented on the bill.

In order to preserve this issue for further discussion in the Judiciary Committee, your Committee has amended this bill by:

- (1) Deleting language that added sexual orientation as a protected status in the laws against discrimination in public accommodations, real property transactions and blockbusting; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1151, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1151, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Moses and Rath.

**SCRep. 1418 Labor and Public Employment on S.B. No. 235**

The purpose of this bill is to expand areas of protected conduct and penalties under the Whistleblowers' Protection Act.

Common Cause Hawaii and the American Civil Liberties Union of Hawaii testified in support of the measure. ILWU Local 142 and the Hawaii State Teachers Association supported the intent of the measure. The Society for Human Resource Management and an individual commented on the measure. The Chamber of Commerce of Hawaii and the Hawaii Nurses' Association opposed the measure.

Your Committee has amended this bill by:

- (1) Limiting the unlawful conduct to conduct based solely on the employee's whistleblowing;
- (2) Removing a suspected violation from the list of reported whistleblowing activities protected by the bill;
- (3) Including information of fraud, misuse, waste, and malfeasance or neglect, but not information relating to the public welfare, in the information subject to whistleblowing protection;
- (4) Establishing an affirmative defense for an employer that the reported information was incorrect or the conduct did not occur;
- (5) Inserting that an employee requires a reasonable cause to believe that the information reported is true to obtain whistleblower protection;
- (6) Defining "reasonable cause to believe";
- (7) Amending language to protect employers from multiple whistleblower suits under various laws;
- (8) Adding compensatory damages to the remedies awardable by the court in a civil action under the Act; and
- (9) Clarifying the maximum penalty under the Act.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 235, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 235, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Okamura, Moses and Rath.

**SCRep. 1419                      Tourism on S.B. No. 816**

The purpose of this bill is to ensure that the convention center is operated in an effective and efficient manner by:

- (1) Extending the sunset date of the Convention Center Authority (CCA) for another year, until June 30, 2000; and
- (2) Requiring the Legislative Auditor to continue to audit and monitor the progress of CCA in resolving various outstanding issues and problems prior to its extended sunset date on June 30, 2000.

The Department of Business, Economic Development, and Tourism (DBEDT), CCA Board, the Maui Hotel Association, Diamond Resort Hawaii, the Activity Owners Association of Hawaii, and the Visitor Industry Coalition commented on this bill.

Your Committee recognizes the division of responsibilities between CCA and the Hawaii Tourism Authority (HTA) in operating, managing, and marketing the convention center. As such, in the interest of efficiency and effectiveness, it is your Committee's belief that these responsibilities be streamlined under the purview of a single agency. However, such a transition of responsibilities should be initiated and executed in a timely, orderly, and responsible manner to allow CCA time to address several ongoing priority issues and to enable HTA to adjust to its new responsibilities.

Based on revenue projections of the Council on Revenues' and DBEDT's proposed restructuring of the existing debt of the convention center, it is anticipated that revenues from the Transient Accommodations Tax (TAT) and other interest will cover the debt service reimbursement of the convention center, and result in a projected revenue surplus up to fiscal year 2003. These projections are the result of combining the Tourism and the Convention Center Special Funds. As such, any reimbursement for the debt service of the convention center to the general fund will allow the Tourism Special Fund to level the debt service obligation to an amount that will preserve the intention of the Legislature to adequately fund HTA in a manner that is consistent with Act 156, Session Laws of Hawaii 1998. Furthermore, the transfer of the Convention Center Special Funds to the Tourism Special Fund will also allow the timely use of a carryover balance of approximately \$17,000,000 at the front end of the financial plan. Presumably, the TAT projection revenues will increase to a level that is sufficient to cover the reduced debt service requirements and the net operations of the convention center.

After careful consideration, your Committee has amended this bill by, among other things:

- (1) Extending the sunset date of the CCA to June 30, 2001;
- (2) Deleting the provision that requires the Legislative Auditor to audit and monitor the progress of the CCA;

- (3) Transferring all moneys in the Hawaii Convention Center Operations Special Fund and the Hawaii Convention Center Capital Special Fund to the Tourism Special Fund on July 1, 1999;
- (4) Assigning the funding responsibility for the debt service and operating requirements of the convention center to HTA on July 1, 1999;
- (5) Assigning the responsibility to market, operate, manage, and maintain the convention center from CCA to HTA on July 1, 2001;
- (6) Changing the composition of HTA on July 1, 2001;
- (7) Transferring the employees, equipment, records, and other personal property of CCA to HTA, and all equipment, records, and other personal property of CCA related to basic data and visitor research to DBEDT's Research and Economic Analysis Division, on July 1, 2001;
- (8) Appropriating funds for fiscal biennium 1999-2001 from the Tourism Special Fund for the operations and expenses of the convention center on July 1, 1999; and
- (9) Clarifying the purpose, intent, and findings of the bill.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 816, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Kaho'ohalahala and Saiki.

**SCRep. 1420                      Tourism and Economic Development and Business Concerns on S.B. No. 1325**

The purpose of this bill is to establish a new tax credit for hotel construction and remodeling for tax years after December 31, 2098, and before January 1, 1902.

The Department of Business, Economic Development, and Tourism, the Department of Taxation, the American Institute of Architects Hawaii State Council, the American Resort Development Association of Hawaii, the Land Use Research Foundation of Hawaii, the Hawaii Hotel Association, Unity House, Inc., the Hawaii Business Roundtable, the Oahu Academy of Travel and Tourism, the Waikiki Improvement Association, Hilton Hawaiian Village, the Sheraton Princess Kaiulani Hotel, the Hawaii Resort Developers Conference, the Building Industry Association of Hawaii, Pacific Resource Partnership, and The Myers Corporation testified in support of the measure. The Tax Foundation of Hawaii and the Pacific Entertainment Center commented on the measure. The Sierra Club, Hawaii Chapter opposed the measure.

Your Committees find that this bill will help to revitalize Hawaii's economy by encouraging the construction and renovation of facilities servicing the visitor industry.

Your Committees note that a similar bill, H.B. No. 136, H.D. 2, passed out of the House of Representatives earlier this session after public hearings before these Committees and the Committee on Finance. Your Committees have made amendments to conform this bill to H.B. No. 136, H.D. 2, and have made further amendments to:

- (1) Broaden the types of projects that qualify for the tax credit to incorporate all construction projects meeting the expenditure minimum;
- (2) Establish the tax credit at 25 per cent for qualified improvement costs to qualified resort facilities and 15 per cent for qualified improvement costs to other facilities for costs totalling over \$1,000,000 in a three-year period;
- (3) Spread the cost of impact fees for qualified projects over a seven-year period, interest-free; and
- (4) Extend the tax credit for two additional years.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development and Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1325, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1325, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Abinsay and Ito.

**SCRep. 1421                      Economic Development and Business Concerns on S.B. No. 785**

The purpose of this bill is to require the Public Utilities Commission (PUC) to replace an existing telecommunications provider with an alternative provider when the PUC determines that an area of the State has less than adequate service and the existing provider

fails to satisfy its burden in response to an order to show cause why the PUC should not authorize an alternative provider for that area. The bill also allows the alternative provider to acquire the former provider's property by eminent domain as may be necessary for the provision of basic local exchange service in the area.

Testimony in support of this measure was submitted by TelHawaii, Inc. and three individuals. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development and Tourism, AT&T, Oceanic Communications, GST Telecom Hawaii, TelHawaii, and further testimony from TelHawaii. The Department of Commerce and Consumer Affairs opposed the current draft of the bill. Testimony in opposition to the bill was submitted by GTE Hawaiian Tel. Several of the testifiers preferred the language in the original version of this bill and supported amendments to return the measure to that form.

Your Committee finds that the bill in its present form is inadequate to fully restate and clarify the intent of the Legislature in enacting Act 80, Session Laws of Hawaii (SLH) 1994. To remove any doubt regarding the original intent of Act 80 (SLH 1994), your Committee intends by this bill to provide that Act 80 (SLH 1994) mandates the replacement of the existing provider when the PUC determines that (1) an area of the State has less than adequate telecommunications service, and (2) the existing telecommunications provider fails to justify why it should not be replaced by an alternative provider for that area.

This bill confirms the intent of Act 80 (SLH 1994) that the PUC shall decertify the existing telecommunications carrier from providing service in that area. However, the decertified carrier shall not be barred from reapplying to serve that area in the future or from competing for selection as the alternative telecommunications provider for the area.

Your Committee also finds that the measure in its current form would be ineffective in ensuring that service quality is improved and maintained in an area suffering from less than adequate telecommunications service. To preserve universal service and protect the public safety and welfare as intended by the Legislature through Act 80 (SLH 1994), telecommunications carriers, as defined in Hawaii Revised Statutes (HRS) section 269-1, have the power of eminent domain. This power includes the right to acquire from the decertified provider any property rights necessary to provide service in the specified area and is exercised with the oversight of the Commission. The existing telecommunications provider will receive just compensation for any property taken by eminent domain.

Furthermore, your Committee intends to clarify and confirm the authority and procedures to be followed by public utilities when they exercise the power of eminent domain.

Your Committee, in order to effectuate the intent and purpose of Act 80 (SLH 1994), has amended the bill by:

- (1) Adding a discussion of the intent of this bill to expressly restate, reiterate, and declare the intent of the Legislature in enacting Act 80 (SLH 1994) to (a) replace an existing telecommunications carrier that fails to provide adequate service in an area and to justify why it should not be replaced, (b) decertify the existing provider from providing service in the specified area, and (c) permit the Commission to determine whether the alternative carrier may exercise its power of eminent domain to obtain those assets of the existing provider necessary to provide adequate service in the specified area;
- (2) Adding a section to clarify the procedures under which a public utility may exercise its power of eminent domain, including the preconditions that (a) the public utility submit to the PUC its intention to exercise the power and a description of the property sought to be obtained, and (b) the PUC finds the condemnation is necessary, in the public interest, and the property taken will be used for operations as a public utility;
- (3) Adding a paragraph clarifying that, if the PUC determines that the service of the existing telecommunications carrier is less than adequate in an area and has failed to show cause why it should not be replaced, the PUC may permit the alternative provider to exercise its power of eminent domain;
- (4) Specifying that a decertified carrier shall not be barred from reapplying for the right to serve the area in the future, competing for selection as the alternative telecommunications carrier for the area, and providing that the former provider shall receive just compensation for all property taken by eminent domain; and

Your Committee notes that testimony recalled the history of the PUC's determinations of inadequate service provided to the rural areas of the State, posing life-threatening circumstances and interfering with the social and commercial development of the rural areas in the Decision and Order filed on November 4, 1994. The PUC also held that GTE Hawaiian Tel did not have the ability or commitment to properly improve its rural service in the Decision and Order filed on December 1, 1995. The PUC then selected a replacement provider for the Ka'u area by decision and Order filed on July 15, 1996, as required under Act 80 (SLH 1994). Furthermore, in an order filed on August 15, 1996, the PUC ordered the negotiation for the transfer or use of GTE Hawaiian Tel's assets in the Ka'u district and clarified that "transfer or use" of assets did not mean interconnection.

Your Committee finds that the PUC allowed Tel Hawaii to exercise the power of eminent domain after GTE Hawaiian Tel refused to negotiate the transfer of assets to Tel Hawaii. In addition, the PUC emphasized that interconnection was insufficient to ensure improved service reliability and quality because interconnection would require that Tel Hawaii use GTE Hawaiian Tel's substandard network. The PUC reasoned that public utilities have the power of eminent domain, citing HRS section 101-4. The PUC concluded that under section 3, Act 134 (SLH 1961), public utilities have the power to condemn the property, including personal property, of another public utility only upon receiving PUC approval. In addition, the PUC held that public utilities have the right to condemn personal property necessary for the provision of service in an area that is served less than adequately in the Decision and Order filed on May 23, 1997.



Your Committee finds that federal and State policies to promote universal telecommunications and the availability of advanced services through competition where practicable support the amendments to this bill. Both the federal Telecommunications Act of 1996 and Act 225 (SLH 1995) recognize that in rural areas competition may not occur as soon as in urban area because of the high cost of serving rural areas and the relatively small demand for services. In fact, both Acts permit rural telecommunications providers to forego interconnection until it is economically viable.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 785, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 785, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1422                    Economic Development and Business Concerns on S.B. No. 1583**

The purpose of this bill is to promote and support development of high technology industries in Hawaii. In particular, this measure:

- (1) Consolidates the State's high technology agencies, divisions, and offices under the coordination and direction of a special advisor for technology development and crates a governor's special advisory council for technology development to assist the advisor;
- (2) Offers a tax incentive through a technology training or job creation tax credit to offset the cost of training, retraining, and related job creation costs;
- (3) Offers a tax incentive for investment in new high technology businesses;
- (4) Integrates information technology with Hawaii's tourism and marketing industry;
- (5) Prohibits the imposition of taxes on Internet commerce;
- (6) Establishes the Hawaii Internet exchange to serve as a catalyst for the development of Internet-focused businesses;
- (7) Provide work force development programs to ensure a pool of technology professionals; and
- (8) Accelerates high speed access to the Internet for the University of Hawaii and the public schools, and establishing educational technology programs within public schools.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii, the University of Hawaii Professional Assembly, and the Estate of James Campbell. Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Department of Labor and Industrial Relations, and the High Technology Development Corporation. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee has amended this measure as follows:

- (1) Changing the repeal date of Section 3 from January 1, 2005 to January 1, 1999;
- (2) Eliminating the tax credit for technology training or job creation;
- (3) Specifying that there shall be a tax credit equal to 25% of the total investment for funds invested in qualified high technology businesses in this State;
- (4) Specifying that tax credits claimed in excess of payments due may be carried over as additional credits for a period not exceeding ten years;
- (5) Eliminating language establishing the Hawaii internet exchange and the priority guidelines for promoting development of the information industry;
- (6) Appropriating funds to establish a University of Hawaii teleconferencing center in an appropriate location in California's "Silicon Valley" to provide outreach classes and telecommunications capability to that area;
- (7) Establishing a system-wide information technology and services special fund, permitting the University of Hawaii office of technology transfer to expend up to \$2,000,000 of the fund in any fiscal year;
- (8) Eliminating the language requiring the board of trustees of the Employees' Retirement System to invest funds in qualified high technology businesses;

- (9) Requiring the Department of Education to establish free electronic mail accounts for students attending public or private schools and who are in the ninth grade or above;
- (10) Providing that an unspecified number of E Academies shall be established, and deleting reference to the specific number of 12 to 14 such programs;
- (11) Adding language promoting development of a high technology industry in the State by issuing special purpose revenue bonds not to exceed a total of \$100,000,000 in one or more series to assist the Ohana Foundation and/or one or more of its not-for-profit affiliates in financing or refinancing costs related to the development of a high technology park in Kakaako; and
- (12) Making technical and nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1583, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1583, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1423                      Economic Development and Business Concerns on S.B. No. 1607**

The purpose of this bill is to appropriate funds to be paid into the Hawaii strategic development corporation (HSDC) revolving fund for investment in primarily high technology companies.

Testimony in support of this bill was submitted by the Honolulu Japanese Chamber of Commerce, Premier Capital Advisors, the Hawaii Venture Capital Association, and one individual. Testimony in support of the intent of this measure was submitted by the department of Business, Economic Development, and Tourism, and the High Technology Development Corporation.

Your Committee has amended this measure by:

- (1) Making technical and nonsubstantive changes for the purposes of clarity and style; and
- (2) Adding Part II, requiring the board of trustees of the Employees' Retirement System to invest funds in qualified high technology businesses, subject to minimum and maximum limits as a means of providing venture capital for such businesses.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1607, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1607, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.  
(Representatives Halford and Rath voted no.)

**SCRep. 1424                      Economic Development and Business Concerns on S.B. No. 44**

The purpose of this bill is to foster Hawaii's economic growth by:

- (1) Exempting exported services from the general excise tax (GET); and
- (2) Imposing a use tax on imported services to not only level the playing field between the local service providers and out-of-state providers, but to compensate for the revenue loss caused by the GET exemption on exported services.

The Department of Business, Economic Development, and Tourism, the Hawaii Association of Realtors, the Building Industry Association of Hawaii, Hidano Construction, Inc., and Structural Pest Control, Inc., testified in support of this measure. The Department of Taxation testified in support of the intent of the bill. The Tax Foundation of Hawaii commented on the bill.

Your Committee finds that exempting exported services from the GET will increase Hawaii's attractiveness to firms providing professional services such as engineers, architects, urban planners, and others. Not only will this make Hawaii's firms competitive with foreign and other U.S. firms, it will also be a disincentive for Hawaii firms to open offices out-of-state to avoid paying the general excise tax. Instead, this tax exemption will keep service firms in Hawaii, bringing in work from overseas and creating jobs for local residents.

The imposition of the use tax on imported services will enable Hawaii's businesses to compete with foreign and U.S. mainland businesses, which do not pay a comparable tax, on a more equal footing. It will also help make up for any loss to the state from the GET exemption on exported services.

Your Committee has amended this bill by:

- (1) Adding a definition of "service business or calling" to include professions in the GET provisions;
- (2) Replacing the definition of "services" with a definition of "service business or calling" in Chapter 238, Hawaii Revised Statutes, (Use Tax) to conform to the term and definition used in Chapter 237, HRS, (GET);
- (3) Adding a provision for a 0 percent use tax rate on imported services to mirror the 0 percent rate for imports of tangible personal property;
- (4) Exempting the cost of overhead from the use tax on imported services; and
- (5) Including a 1/2 percent tax on services imported or purchased by a contractor that become an identifiable element of the finished work or project.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Ito and Rath.

**SCRep. 1425 Economic Development and Business Concerns on S.B. No. 638**

The purpose of this bill is to relieve the effect of pyramiding of the general excise tax (GET). Specifically, this bill will expand the GET treatment of intermediary sales of services by treating all intermediary services as wholesale sales whether the sale is service-to-service, service-to-goods, or service-to-contracting transactions.

The Chamber of Commerce, the Honolulu Japanese Chamber of Commerce, the Hawaii Association of Realtors, Jas. W. Glover, Ltd., the Building Industry Association of Hawaii, Hidano Construction, Inc., the Hawaii Business Roundtable, the Small Business Economic Revival Force, the Native Hawaiian Chamber of Commerce, the Hawaii Business League, the Hawaii Farm Bureau, the National Federation of Independent Business Hawaii, the Hawaii Society of Certified Public Accountants, the Tax Section of the Hawaii State Bar Association, and Structural Pest Control, Inc., testified in support of this bill. The Department of Taxation testified in support of the intent of the measure. The Tax Foundation of Hawaii commented on the bill.

Your Committee finds that the pyramiding aspect of the GET creates a non-uniform burden, encourages business integration, makes competition with most out-of-state markets difficult, substantially balloons business costs, and prohibits shifting the entire tax burden to the customer in competitive markets. Adopting a scheme for services that is similar to the wholesale tax for goods will provide some tax relief for service businesses which are responsible for a large part of the gross state product.

Since this new tax rate will be made over a number of years, this measure will accomplish its goal of reducing the tax burden on businesses while ensuring that the State can adjust accordingly to the loss of revenue.

Your Committee has amended this measure by:

- (1) Lowering the actual tax rate by .5 percent per year rather than providing for an equivalent deduction;
- (2) Designating "transient accommodations" as a discrete class of activity apart from "services", similar to the treatment of contracting, so that the lower tax rate will apply to services-to-transient accommodations rental transactions; and
- (3) Providing for goods-to-transient accommodations rental transactions in the use tax law.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay and Ito.

**SCRep. 1426 Economic Development and Business Concerns on S.B. No. 1177**

The purpose of this bill is to:

- (1) Provide that sales to a licensed retail merchant, jobber, or other licensed seller of bulk condiments or pre-packaged single-serving packets of condiments that are provided to customers are subject to the general excise tax at the wholesale rate of one-half percent; and

- (2) Clarify that sales to a licensed retail merchant, jobber, or other licensed seller of tangible personal property that will be incorporated or processed by the licensed seller into a finished or saleable product during the course of its preparation for market, and will be sold and not otherwise used by the licensed retail merchant, jobber, or licensed seller at retail is subject to the general excise tax at the wholesale rate of one-half percent.

The Department of Taxation, the Hawaii Restaurant Association, Legislative Information Services of Hawaii, and an individual submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments.

Based on the recommendations of the Department of Taxation, your Committee has amended this bill by:

- (1) Clarifying that the one-half percent intermediary services general excise tax rate is applicable to persons providing professional services, not otherwise taxed, under the General Excise Tax law; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1177, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1177, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay and Ito.

**SCRep. 1427 Economic Development and Business Concerns on S.B. No. 1178**

The purpose of this bill is to clarify the definition of "related entities" for purposes of the general excise tax.

Testimony in support of this measure was submitted by the Department of Taxation. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that this bill is similar in general purpose and intent to H.B. No. 1206, "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAXATION OF RELATED ENTITIES".

Your Committee has amended this bill by inserting the language reflected in H.B. 1206, thereby adopting the federal tax code standard for consolidated returns. This standard requires commonality in ownership based upon eighty per cent value and eighty per cent voting power. The measure also provides that a group or combination of entities that constitute a "unitary business" for income tax purposes comes within the meaning of "related entities".

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay and Ito.

**SCRep. 1428 Economic Development and Business Concerns and Consumer Protection and Commerce on S.B. No. 744**

The purpose of this bill is to exempt certain activities of call centers from taxation.

Testimony in support of this measure was submitted by the Hawaiian Electric Company, the High Technology Development Corporation, the Estate of James Campbell, and GTE Hawaiian Tel. The Department of Taxation submitted testimony supporting the intent of the bill and the Department of Business, Economic Development, and Tourism submitted comments.

Your Committees have amended this measure by:

- (1) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style;
- (2) Clarifying the definition of a call center to require that there be the equivalent of five or more full-time customer or technical service representatives; and
- (3) Providing that this measure shall be repealed as of January 1, 2003 to allow the Legislature to examine whether this tax incentive has provided the expected economic stimulus.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 744, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 744, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Ito, Menor, Morihara, Morita, Yoshinaga, Halford and Thielen.

**SCRep. 1429 Consumer Protection and Commerce on S.B. No. 822**

The purpose of this bill is to require all health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for contraceptive services and supplies, while authorizing an exemption for religious employers.

Testimony in support of the bill was received from the Department of Health (DOH), Hawaii State Commission on the Status of Women, Family Planning Centers of Hawaii, American Civil Liberties Union of Hawai'i (ACLU), Hawai'i Lawyers Care, and Hawaii Government Employees Association.

The Department of Commerce and Consumer Affairs supported additional benefits to consumers provided there is no significant increase in cost. Kaiser Permanente supported the intent of the bill and supported amendments proposed by Hawaii Medical Services Association (HMSA). HMSA commented on the bill and proposed amendments.

Testimony opposing the bill was submitted by Liberty House, Outrigger Enterprises, Inc., and the National Federation of Independent Businesses.

ACLU testified that the constitutional "right of privacy" encompasses decisions about intimate personal matters such as whether and when to bear a child, and that for that right to be meaningful, the ability to obtain and use contraceptives is critical. DOH testified that contraceptive coverage is a fundamental part of basic health care, allowing families to delay and/or adequately space pregnancies, and improving maternal and child health by decreasing incidences of abortion, infant mortality, and poor child health and development. DOH stated that there is widespread agreement in the public health field that coverage of contraceptive services and methods is cost-effective, with each dollar spent on contraception saving \$4 to \$14 in other medical and social costs. Currently in Hawaii, lack of contraceptive coverage is one of the main reasons that women of reproductive age spend 68 percent more than men on out-of-pocket health care costs. DOH also testified that employers benefit by the coverage in a decrease in sick days and maternity and family leave.

Those opposed to this measure testified that Hawaii's mandated employee health care law that restricts employee premium contributions to 1.5 percent of wages, burdens employers, and that additional coverage would increase that burden and may eventually contribute to the failure of businesses.

When your Committee heard the House companion to this bill earlier this session, your Committee found that the testifiers, including a number of representatives of religious organizations, were polarized. Your Committee notes that these groups have increasingly been able to resolve their differences, although a number of disagreements still remain. The progress made by these groups is reflected in the amendments that your Committee has made to this measure, to:

- (1) Reshape the exemption for religious employers to address concerns of educational and other religious institutions, by removing the requirement that the inculcation of religious values be the religious employer's "primary" function;
- (2) Add contraceptive supplies to the coverage from which a religious employer may request an exemption;
- (3) Remove the requirement that the religious employer receive no public funding in order to invoke the exemptions;
- (4) Recognize the cost impact concerns of HMSA, by allowing providers to negotiate drug coverage with suppliers and thereby reduce costs, by allowing coverage restricted to a limited contraceptive formulary, where a member may receive any other contraceptive only if the member has had adverse reactions to drugs within the formulary and the prescribing provider believes that their use would result in an adverse drug reaction; and
- (5) Require that the Legislative Reference Bureau review the provision of contraceptive services and supplies coverage under employer health plans to determine whether mandated contraceptive coverage has increased the cost of health insurance, and report its findings to the Legislature no later than twenty days prior to the convening of the \_\_\_\_\_ legislative session; and

Your Committee is pleased to note that as a result of adopting HMSA's suggested amendment limiting the contraceptive formulary, significant cost impacts on employers have been removed and the law has become budget neutral with regard to HMSA's employer members.

In addition, your Committee notes that removal of the term "primary" from the religious employer exemption reflects ongoing dialog, and the exemption does not yet resolve all concerns of the parties. Your Committee also understands that due to time limitations Kaiser's concerns regarding provisions of the bill requiring that health plans provide a rider for contraceptive coverage, were not addressed in these amendments. For these reasons, and to facilitate further discussion and progress on resolving the issues raised by this measure, your Committee has delayed the effective date of this bill to July 1, 2010. Your Committee has also made technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 822, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 822, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yoshinaga.

**SCRep. 1430 Consumer Protection and Commerce on S.B. No. 830**

The purpose of this bill is to require health insurers, mutual benefit societies, and health maintenance organizations to reimburse providers and patients within a specified time period.

Testimony in support of this bill was received from the Hawaii Ophthalmological Society, the Hawaii Federation of Physicians and Dentists, Retina Associates of Hawaii, the Hawaii Chapter of the American Physical Therapy Association, the Hawaiian Eye Center, and a few concerned physicians. The Faulkner Institute for Eye Care and Surgery supported the intent of this bill.

The American Massage Therapy Association supported both the intent and the language of this bill, except for the date of implementation (January 1, 2001). The Hawaii Psychiatric Medical Association and Hawaii Medical Association supported this bill with suggested amendments.

Testimony in opposition to this bill was received from the Healthcare Association of Hawaii, Queen's Health Management, and the Hawaii Medical Service Association.

The Insurance Commissioner commented on this bill.

Your Committee has amended this measure by:

- (1) Leaving the effective date blank in order to assure further discussion in conference committee, and to facilitate discussions among the interested parties to see whether a compromise can be reached; and
- (2) Making technical nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford, Rath, Thielen and Whalen.

**SCRep. 1431 Consumer Protection and Commerce on S.B. No. 1129**

The purpose of this bill is to:

- (1) Prescribe continuing education requirements for those working in the insurance industry and licensed by the State;
- (2) Support this continuing education program through increased insurance licensing and other fees that are to be paid into a newly established Insurance Licensing Administration (ILA) special fund, to be used to administer the continuing education program; and
- (3) Raise all fees required by section 431:7-101, Hawaii Revised Statutes (HRS), by 50 percent.

Your Committee received testimony supporting this measure from State Farm, and from the Hawaii State Association of Life Underwriters (HSALU), who testified that the measure would improve the professional competency of Hawaii's insurance agents and protect consumers. The Hawaii Independent Insurance Agents Association submitted testimony in support of the idea of continuing education and stating a need for legislation enabling recognition of Hawaii's insurance licensing program and continuing education courses by other states.

Atlas Insurance Agency (AIA) testified in opposition to the measure, stating that as an advocate for continuing education it among other things, provides financial support to its agents for the purpose of maintaining and increasing their professional competence. AIA stated that in this troubled economy, a grandfather clause exempting currently licensed agents from mandatory continuing education would better satisfy concerns regarding reciprocity and recognition of state licenses in other states.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of the bill, and also requested that provisions be added to allow the Insurance Division to become administratively self-sufficient through the consolidation of most of its funds into a single special fund.

Hawaii Employers Mutual Insurance Company (HEMIC), a newly formed insurance company scheduled to become a fully fledged insurer subject to the full panoply of state regulations on January 1, 2008, requested that provisions be added to the bill to exempt HEMIC from assessments imposed by the Workers' Compensation Special Compensation Fund (SCF), and based on its yearly total

workers compensation premiums. HEMIC testified that this exemption would be limited to the first \$25,000,000 of premiums in any year, would allow HEMIC credit for the nearly \$2,000,000 already paid into the SCF, and would continue until January 1, 2008. HEMIC stated that the purpose of the exemption is to allow HEMIC to build surplus and establish a solid financial base, so that it may perform its primary mission of stabilizing the workers' compensation insurance marketplace. The exemption would recognize the adverse impact that SCF assessments would have given HEMIC's formative status as an insurance company, and that the liabilities currently being paid by the SCF were incurred before HEMIC's existence.

The Department of Budget and Finance commented on this bill.

As requested by the HSALU, and to address concerns regarding state regulation without industry input, your Committee recommends to the Insurance Commissioner that the following organizations be consulted on the scope and nature of courses, providers, and credits under the continuing education program proposed in this measure: Hawaii Chapter of Financial Service Professionals, Chartered Property and Casualty Underwriters, Hawaii State Association of Life Underwriters, Hawaii Independent Insurance Agents Association, State Farm Insurance Companies, and the Hawaii Insurers Council.

Your Committee has amended this bill as suggested by AIA, and for purposes of further discussion, by amending the continuing education provisions of this bill to incorporate a grandfather clause. Your Committee has also made technical nonsubstantive amendments to this part of the bill.

In addition, your Committee has also adopted the amendments proposed by DCCA in Part II of this bill, and those requested by HEMIC, in Part III. As amended, this bill in:

- (1) Part II, establishes an Insurance Regulation Fund (IRF) into which all assessments, fees, fines, and other moneys collected by DCCA under Title 24, (Insurance), HRS, except for those paid into the Commissioner's Education and Training Fund, and Drivers Education Fund Underwriters Fee, shall be paid. Moneys in the IRF shall be used by DCCA to administer Title 24; and
- (2) Part III, provides HEMIC with an exemption from levy under section 386-153, HRS.

To facilitate further discussion of the various proposals in this bill, your Committee has left the effective date of this bill blank.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1432                      Consumer Protection and Commerce on S.B. No. 844**

The purpose of this bill is to mandate that the insurance coverage for mental illness, alcohol, and drug dependence services be no less extensive than the coverage for other medical or surgical services.

Testimony supporting this measure was submitted by the the Department of Health (DOH), Mental Health Association in Hawai'i, Hawaii Medical Association, Hawaii Psychiatric Medical Association, United Self-Help, the Very Big Mental Health Consumer Sandwich Group, Equal Insurance Coalition, National Association of Social Workers, Hawaii State Alliance for the Mentally Ill, and the Protection and Advocacy Agency of Hawaii, and several concerned individuals.

Hawaii Government Employees Association supported the intent of the measure. The Insurance Commissioner of the Department of Commerce and Consumer Affairs provided comments.

Testimony in opposition was received from Queen's Medical Health Management (Queen's), Kaiser Permanente (Kaiser), Hawaii Medical Service Association, Legislative Information Services of Hawaii, the Chamber of Commerce of Hawaii, National Federation of Independent Business, Outrigger Enterprises, Inc., and Hawaiian Electric Company. The Hawaii Psychological Association opposed portions of the bill that would create a costly additional layer of mental health referrals, and strongly supported provisions establishing a Hawaii Equal Insurance Task Force (Task Force).

Your Committee heard testimony that parity of coverage for mental health and substance abuse services was necessary to avoid stigmatizing and treating unequally, an illness that can be effectively treated, and may be as debilitating as any other illness or injury. There was testimony that nineteen other states have enacted parity laws utilizing various approaches, and that data is beginning to show that costs due to parity requirements are less than original estimates. In some cases, premium costs had declined, and the provision of mental health services had become more efficient and less costly. Testifiers pointed to the high price paid for ignoring mental illness and related treatment needs, in the form of homelessness, increased numbers of adults incarcerated in state and county jails, and the need to treat secondary medical conditions resulting from untreated mental illness and substance abuse problems. DOH stated that those individuals who would extensively utilize and would need the coverage of mental health and substance abuse services required by the measure, are those individuals who probably suffer from severe disabilities, and who are a small portion of the five percent of the population who utilize these services.

Many of those opposed to the bill testified as to the existing burden of Hawaii's unique mandated employee health care coverage, citing potential premium increases of 10 to 12 percent this year that, because of Hawaii's laws, must be borne almost entirely by the employer.

HMSA noted that the necessary cost/benefit analysis of this legislation had been requested in H.C.R. No. 223 in 1998, but had not been provided by the Auditor. Kaiser stated that the legislature had, in Act 78, Session Laws of Hawaii 1998, doubled the number of mental health visits required by law, and that there was insufficient data regarding the impact of this legislation and the need for additional coverage. Kaiser also suggested that the term "parity" be more clearly defined so that a meaningful cost/benefit analysis could be performed, and to allow comparison of Hawaii's parity legislation with that of other states. Queen's testified that by placing medical necessity decisions in the hands of the patient's health care provider, this bill would have the effect of superseding provisions of section 334B, Hawaii Revised Statutes that establish standards for utilization review of health care services, thereby allowing unfettered use of mental health and drug abuse services without any utilization management.

Your Committee recognizes the strongly felt concerns of proponents of this measure, as well as the issues raised by those in opposition regarding the unclear cost of the measure as well as its potential to override utilization management controls.

Your Committee has accordingly amended this bill to:

- (1) Remove parity provisions;
- (2) Provide for the immediate formation of the Task Force;
- (3) Add new members to the Task Force, including representatives of the Hawaii Psychological Association, Hawaii Nurses Association, and the Chamber of Commerce of Hawaii, as well as the Insurance Commissioner and a representative of the State Public Employees Health Fund; and
- (4) Require that the Task Force report to the Legislature twenty days before the start of the 2000 regular session.

Your Committee intends that the Task Force consider and attempt to resolve the issues raised before your Committee, including but not limited to:

- (1) A consideration and definition of the term "parity;"
- (2) An analysis of the potential impact of proposed parity legislation on existing mental health and substance abuse services costs, including an examination of inpatient versus outpatient costs and benefits; and
- (3) An examination of ways in which utilization review and other cost and quality control mechanisms may be retained.

To encourage further discussion of this measure, your Committee has left its effective date blank.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 844, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1433 Consumer Protection and Commerce and Labor and Public Employment on S.B. No. 131**

The purpose of this bill is to increase the availability of private long-term care insurance policies by requiring employers to offer long-term care insurance to their employees, and to expand regulatory authority over long-term care insurance. More specifically this bill:

- (1) Requires that employers offer long-term care (LTC) insurance to employees;
- (2) Enacts portions of the National Association of Insurance Commissioners (NAIC) Long-Term Care Insurance Model Act and Model Regulation, with an emphasis on the Model Regulation provisions that increase consumer protection, and conforms Hawaii's LTC insurance statutes to the Model Act; and
- (3) Appropriates funding for the Insurance Division to hire a qualified LTC insurance actuary and additional staff to adequately review LTC insurance filings;
- (4) Appropriates funding for an actuarial study to delineate an appropriate and affordable LTC financing program; and
- (5) Extends the sunset date of the Joint Legislative Committee to June 30, 2000.

Your Committees received testimony in support of this bill from the Department of Commerce and Consumer Affairs (DCCA), the Hawaii State Commission on the Status of Women, the Hawaii Coalition for Affordable Long Term Care, AARP, Healthcare



Association of Hawaii, the Policy Advisory Board for Elder Affairs (PABEA), AlohaCare, Hawaii State Teachers Association (HSTA), Faith Action for Community Equity (FACE), Maui Economic Opportunity (MEO), and a few concerned individuals.

The Executive Office on Aging and Hawaii Long Term Care Association supported the measure with suggested amendments.

State Farm Insurance Companies, Hawaii State Association of Life Underwriters (HSALU) and Benefit Services of Hawaii, Inc. opposed this bill as presently drafted. Testimony in opposition to this measure was received from Bank of Hawaii, the American Council of Life Insurance (ACLI) and the Health Insurance Association of America (HIAA).

Hawaiian Electric Company, Inc. submitted concerns regarding the bill. Comments were offered by the Administrator of the Hawaii Public Employees Health Fund.

Your Committees find that, in light of the many serious concerns regarding this bill, the more prudent approach would be to establish mechanisms to further study these concerns, in order that future legislation may be part of a comprehensive and well-designed scheme. Accordingly, your Committees have deleted portions of the bill from sections 2 through 11, and retained provisions pertaining to regulatory funding, actuarial study and the JLC sunset date and reporting requirements, and have otherwise amended the bill, as follows:

- (1) Rephrasing the purpose of the bill;
- (2) Providing that the Joint Legislative Committee on Long-Term Care, in consultation with the Insurance Commissioner, shall hold hearings and report back to the legislature on various issues including, but not limited to:
  - (a) The adoption of the July 1998 National Association of Insurance Commissioners Long-Term Care Insurance Model Act and Model Regulation;
  - (b) Compliance with the Health Insurance Portability and Accountability Act of 1966; and
  - (c) Preemption of employer mandate provisions by the Employee Retirement Income Security Act of 1974.
- (3) Inserting provisions for funding the Managed Care Demonstration Project; and
- (4) Leaving the effective date blank, in order to assure that this measure receives further discussion in conference committee.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Labor and Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 131, S.D. 3, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 131, S.D. 3, H.D. 2.

Signed by all members of the Committees except Representatives Hiraki, Kaho'ohalahala, Morita, Okamura, Takai, Takumi, Halford, Thielen and Whalen.

**SCRep. 1434 Higher Education and Education on H.R. No. 71**

The purpose of this resolution is to further the coordination between the public school system and the University of Hawaii system by requesting the Board of Regents (BOR) and the Board of Education (BOE) to establish a joint subcommittee for this purpose.

The Board of Education submitted testimony in support of the intent of the resolution, but expressing the view that it is not necessary since existing law provides for cooperation between both boards.

Your Committees agree that the BOR and BOE are already authorized to establish coordinative mechanisms. However, much more can be done to unify Hawaii's educational system. Rather than specify a particular mechanism for achieving this goal, your Committees leave it for the BOR and BOE to determine the appropriate mechanism.

The resolution has been amended by:

- (1) Requesting the BOR and BOE to establish a mechanism to promote the establishment of a coordinated educational system rather than specifying the establishment of a joint subcommittee;
- (2) Requesting a report of the mechanism rather than the joint subcommittee; and
- (3) Revising the title to reflect the change in the substance of the resolution.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 71, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 71, H.D. 1.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Okamura and Santiago.

**SCRep. 1435 Higher Education and Education on H.C.R. No. 84**

The purpose of this concurrent resolution is to further the coordination between the public school system and the University of Hawaii system by requesting the Board of Regents (BOR) and the Board of Education (BOE) to establish a joint subcommittee for this purpose.

The Board of Education submitted testimony in support of the intent of the resolution, but expressing the view that it is not necessary since existing law provides for cooperation between both boards.

Your Committees agree that the BOR and BOE are already authorized to establish coordinative mechanisms. However, much more can be done to unify Hawaii's educational system. Rather than specify a particular mechanism for achieving this goal, your Committees leave it for the BOR and BOE to determine the appropriate mechanism.

The resolution has been amended by:

- (1) Requesting the BOR and BOE to establish a mechanism to promote the establishment of a coordinated educational system rather than specifying the establishment of a joint subcommittee;
- (2) Requesting a report of the mechanism rather than the joint subcommittee; and
- (3) Revising the title to reflect the change in the substance of the resolution.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 84, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 84, H.D. 1.

Signed by all members of the Committees except Representatives Morihara, Arakaki, Okamura and Santiago.

**SCRep. 1436 Higher Education on H.R. No. 70**

The purpose of this resolution is to request the University of Hawaii to review its tuition waivers with respect to the applicability of those waivers to the university's strategic plan.

Your Committee finds that recent legislative and administrative reforms have significantly altered the funding structure of the university and its tuition waiver programs. Formerly, several specific tuition waivers were once mandated by statute, and tuition revenues were deposited into the state general fund. Now, all waivers are discretionary with the Board of Regents, and tuition revenues are deposited into a special fund for the university.

Your Committee thus finds that the fiscal autonomy granted to the university has produced uncertainty with respect to the future role of tuition waivers under the university's strategic plan.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 70 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago

**SCRep. 1437 Higher Education on H.C.R. No. 83**

The purpose of this concurrent resolution is to request the University of Hawaii to review its tuition waivers with respect to the applicability of those waivers to the university's strategic plan.

Your Committee finds that recent legislative and administrative reforms have significantly altered the funding structure of the university and its tuition waiver programs. Formerly, several specific tuition waivers were once mandated by statute, and tuition revenues were deposited into the state general fund. Now, all waivers are discretionary with the Board of Regents, and tuition revenues are deposited into a special fund for the university.

Your Committee thus finds that the fiscal autonomy granted to the university has produced uncertainty with respect to the future role of tuition waivers under the university's strategic plan.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Okamura and Santiago.

**SCRep. 1438 Higher Education on H.R. No. 119**

The purpose of this Concurrent Resolution is to express the strong support of the Legislature in the establishment of a Center for Environmental and Cultural Tourism.

Your Committee received testimony in support of this Concurrent Resolution from the University of Hawaii.

Your Committee finds that establishing an educational center focusing on the environmental and cultural aspects of tourism will serve to enrich both visitors' and residents' experiences and attitudes towards tourism in the State. Providing a resource for students to explore and develop ideas and concepts that will produce high-quality tourism experiences and at the same time operate to preserve the essence of what is unique to Hawaii will encourage important and sensitive economic development within the State. Situating the Center in Hilo provides an existing, enriched cultural and environmental laboratory.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 119, and recommends that it be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1439 Higher Education on H.C.R. 132.**

The purpose of this Concurrent Resolution is to express the strong support of the Legislature in the establishment of a Center for Environmental and Cultural Tourism.

Your Committee received testimony in support of this Concurrent Resolution from the University of Hawaii.

Your Committee finds that establishing an educational center focusing on the environmental and cultural aspects of tourism will serve to enrich both visitors' and residents' experiences and attitudes towards tourism in the State. Providing a resource for students to explore and develop ideas and concepts that will produce high-quality tourism experiences and at the same time operate to preserve the essence of what is unique to Hawaii will encourage important and sensitive economic development within the State. Situating the Center in Hilo provides an existing, enriched cultural and environmental laboratory.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, and recommends that it be referred to the Committee on Tourism.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1440 Higher Education on H.R. No. 187**

The purpose of this resolution is to request the Legislative Reference Bureau to facilitate good faith discussions among all interested stakeholders of all issues related to the future of research and extension programs of the College of Tropical Agriculture and Human Resources (CTAHR).

CTAHR testified in support of the measure.

Your Committee finds that the continued development and health of the agricultural industry is vital to the State's fiscal and environmental well-being. To thrive, the agricultural industry must have access to the best possible agricultural education and extension program. It is extremely important, therefore, that all interested parties discuss how best to organize and expend the State's limited resources for agriculture education and extension for the benefit of agricultural development throughout the State.

As affirmed by the records of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 187 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1441 Higher Education on H.C.R. No. 206**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to facilitate good faith discussions among all interested stakeholders of all issues related to the future of research and extension programs of the College of Tropical Agriculture and Human Resources (CTAHR).

CTAHR testified in support of the measure.

Your Committee finds that the continued development and health of the agricultural industry is vital to the State's fiscal and environmental well-being. To thrive, the agricultural industry must have access to the best possible agricultural education and extension program. It is extremely important, therefore, that all interested parties discuss how best to organize and expend the State's limited resources for agriculture education and extension for the benefit of agricultural development throughout the State.

As affirmed by the records of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1442 Higher Education on H.R. No. 153**

The purpose of this resolution is to request the University of Hawaii to expedite construction of the University of Hawaii West Oahu campus.

Your Committee finds that prior legislation requires construction of the campus to commence by December 31, 2006. Your Committee further finds that the university anticipates having all plan approvals and entitlements secured by 2001. Your Committee believes that expediting construction of the campus will benefit the higher educational needs of the growing West Oahu community and provide an economic stimulus in general to West Oahu.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1443 Higher Education on H.C.R. No. 174**

The purpose of this concurrent resolution is to request the University of Hawaii to take positive steps to remind eligible males of their United States Selective Service registration obligation at all appropriate moments, including pre-admission enrollment and registration.

In addition, this measure requests the University of Hawaii to submit a report to the Legislature, prior to the regular session of 2000, on the steps that the University has taken to provide these registration reminders.

Your Committee received testimony in support of this measure from the University of Hawaii and the Selective Service System.

Your Committee finds that all male United States citizens are required to register with the United States Selective Service System within thirty days of their eighteenth birthday. Although approximately eighty-five per cent of eligible males in Hawaii have completed the registration process, Hawaii still holds one of the lowest compliance rates in the country. This measure is intended to promote awareness of and compliance with the Selective Service System registration requirement mandated by federal law.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1444 Tourism on H.R. No. 81**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to examine and report on various tourism programs that could be developed for the benefit of both residents and visitors.

Your Committee received testimony in support of this measure was from The Chamber of Commerce of Hawaii and members of the public. The HTA submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1445 Tourism on H.C.R. No. 92**

The purpose of this measure is to request the Hawaii Tourism Authority (HTA) to examine and report on various tourism programs that could be developed for the benefit of both residents and visitors.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and members of the public. The HTA submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1446 Water and Land Use on H.R. No. 91**

The purpose of this resolution is to request the Department of Land and Natural Resources to study the flooding problems of Wailupe stream.

Your Committee received testimony in support of this resolution from Project Planners Hawaii and three individuals, and from the Board of Land and Natural Resources offering comment.

Your Committee finds that the U.S. Army Corps of Engineers conducted a study of the flooding of Wailupe stream and determined that flood control measures did not meet their benefit/cost criteria, but the study did not take into account the higher cost of land and construction in Hawaii. Action by the state land agency and Hawaii's congressional delegation may persuade the Corps of Engineers to reconsider their earlier findings and proceed with Wailupe stream flood control measures.

Your Committee revised this resolution by:

1. Amending the contents to reflect the additional cost factor not considered in the Army Corps of Engineers study;
2. Changing the title and contents to request Hawaii's congressional delegation to assist in resolving the Wailupe stream flooding problem;
3. Requesting the Department of Land and Natural Resources and the City and County of Honolulu Department of Design and Construction to work with Hawaii's congressional delegation and the Army Corps of Engineers;
4. Providing for certified copies to the Governor, the Mayor of the City and County of Honolulu, the Chair of the Board of Land and Natural Resources, the Director of the City and County of Honolulu Department of Design and Construction, the members of Hawaii's congressional delegation and the Commander of the U.S. Army Corps of Engineers; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 91, H.D. 1.

Signed by all members of the Committee except Representatives Schatz and Takumi.

**SCRep. 1447 Water and Land Use on H.C.R. No. 98**

The purpose of this resolution is to request the Department of Land and Natural Resources to study the flooding problems of Wailupe stream.

Your Committee received testimony in support of this resolution from Project Planners Hawaii and three individuals, and from the Board of Land and Natural Resources offering comment.

Your Committee finds that the U.S. Army Corps of Engineers conducted a study of the flooding of Wailupe stream and determined that flood control measures did not meet their benefit/cost criteria, but the study did not take into account the higher cost of land and construction in Hawaii. Action by the state land agency and Hawaii's congressional delegation may persuade the Corps of Engineers to reconsider their earlier findings and proceed with Wailupe stream flood control measures.

Your Committee revised this resolution by:

1. Amending the contents to reflect the additional cost factor not considered in the Army Corps of Engineers study;
2. Changing the title and contents to request Hawaii's congressional delegation to assist in resolving the Wailupe stream flooding problem;
3. Requesting the Department of Land and Natural Resources and the City and County of Honolulu Department of Design and Construction to work with Hawaii's congressional delegation and the Army Corps of Engineers;
4. Providing for certified copies to the Governor, the Mayor of the City and County of Honolulu, the Chair of the Board of Land and Natural Resources, the Director of the City and County of Honolulu Department of Design and Construction, the members of Hawaii's congressional delegation and the Commander of the U.S. Army Corps of Engineers; and
5. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 98, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 98, H.D. 1.

Signed by all members of the Committee except Representatives Schatz and Takumi.

**SCRep. 1448 Human Services and Housing on H.R. No. 213**

The purpose of this resolution is to determine whether the State's policy to fund automobile insurance coverage for public assistance recipients is financially sound by requesting the Department of Human Services (DHS), in cooperation with the Insurance Commissioner, to conduct a study evaluating alternative funding for automobile insurance coverage for public assistance recipients.

DHS testified in support of this measure stating that DHS believes that the current system may be the most cost effective for DHS and the State. Additionally, DHS questioned how its participation could cause an increase in cost, since the decision to remove the entire medical-only assistance group from this benefit has significantly decreased the number of those eligible for free no-fault insurance. The Department of Commerce and Consumer Protection submitted comments.

Your Committee believes that a study is necessary to justify DHS's conclusions.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 213 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1449 Human Services and Housing on H.C.R. No. 243**

The purpose of this concurrent resolution is to determine whether the State's policy to fund automobile insurance coverage for public assistance recipients is financially sound by requesting the Department of Human Services (DHS), in cooperation with the Insurance Commissioner, to conduct a study evaluating alternative funding for automobile insurance coverage for public assistance recipients.

DHS testified in support of this measure stating that DHS believes that the current system may be the most cost effective for DHS and the State. Additionally, DHS questioned how its participation could cause an increase in cost, since the decision to remove the entire medical-only assistance group from this benefit has significantly decreased the number of those eligible for free no-fault insurance. The Department of Commerce and Consumer Protection submitted comments.

Your Committee believes that a study is necessary to justify DHS's conclusions.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1450 Human Services and Housing on H.R. No. 111**

The purpose of this resolution is to protect children from abuse and neglect by requesting the Child Protective Services Roundtable (Roundtable) to form a task force to examine and discuss selected issues relating to child abuse.

The Department of Human Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Office of Hawaiian Affairs testified in support of this measure.

The Roundtable has been meeting for the past two years to discuss changes to statutes, administrative rules, and procedures to improve Hawaii's child protection system. Your Committee finds that this measure addresses many legal and social policy issues that needs further scrutiny prior to adopting them as Roundtable recommendations.

Your Committee has amended this measure by:

- (1) Referring to the "child protection system" instead of the "child protective services (CPS) system" because CPS refers to specific child protection services pursuant to Chapter 587, Hawaii Revised Statutes (HRS);
- (2) Referring to the "Child Protection Legislative Roundtable" instead of the "CPS Roundtable" because the Roundtable's agenda goes beyond the scope of Chapter 587, HRS;
- (3) Amending the title to read "REQUESTING THE CHILD PROTECTION LEGISLATIVE ROUNDTABLE TO FORM A TASK FORCE TO EXAMINE AND DISCUSS SELECTED ISSUES RELATING TO CHILD ABUSE"; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 111, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.R. No. 111, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1451 Human Services and Housing on H.C.R. No. 124**

The purpose of this concurrent resolution is to protect children from abuse and neglect by requesting the Child Protective Services Roundtable (Roundtable) to form a task force to examine and discuss selected issues relating to child abuse.

The Department of Human Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, and the Office of Hawaiian Affairs testified in support of this measure.

The Roundtable has been meeting for the past two years to discuss changes to statutes, administrative rules, and procedures to improve Hawaii's child protection system. Your Committee finds that this measure addresses many legal and social policy issues that needs further scrutiny prior to adopting them as Roundtable recommendations.

Your Committee has amended this measure by:

- (1) Referring to the "child protection system" instead of the "child protective services (CPS) system" because CPS refers to specific child protection services pursuant to Chapter 587, Hawaii Revised Statutes (HRS);
- (2) Referring to the "Child Protection Legislative Roundtable" instead of the "CPS Roundtable" because the Roundtable's agenda goes beyond the scope of Chapter 587, HRS;
- (3) Amending the title to read "REQUESTING THE CHILD PROTECTION LEGISLATIVE ROUNDTABLE TO FORM A TASK FORCE TO EXAMINE AND DISCUSS SELECTED ISSUES RELATING TO CHILD ABUSE"; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1452 Human Services and Housing on H.C.R. No. 179**

The purpose of this concurrent resolution is to protect children from abuse and neglect by urging the Hawaii Appleseed Public Interest Law Center (Hawaii Appleseed) to continue its work on a comprehensive review of Hawaii statutes relating to child protection.

The Department of Human Services and Hawaii Appleseed testified in support of this measure. The Hawaii State Foster Parents Association testified in support of the intent of this measure.

Hawaii Appleseed has been a participant in the Child Protection Legislative Roundtable (Roundtable) over the past year and has already taken steps towards comprehensive statutory revisions to create a cohesive framework to effectively address and remedy child abuse concerns. Your Committee finds that informed discussion on the ramifications of proposed legislation prior to its introduction would result in sound public policy.

Your Committee has amended this measure by:

- (1) Referring to the "Child Protection Legislative Roundtable" instead of the "Child Protective Services (CPS) Roundtable" because CPS refers to specific child protection services pursuant to Chapter 587, Hawaii Revised Statutes (HRS), and the Roundtable's agenda goes beyond the scope of Chapter 587, HRS;
- (2) Making a technical, nonsubstantive amendment to the title, so it now reads "URGING THE HAWAII APPLESEED PUBLIC INTEREST LAW CENTER TO CONTINUE ITS WORK ON A COMPREHENSIVE REVIEW OF HAWAII STATUTES RELATING TO CHILD PROTECTION";
- (3) Requesting Hawaii Appleseed to consider modifications to chapter 587, HRS, and related statutory provisions in chapters 346, 350, 350B, 350C, 350E, and 578, HRS, to improve the State's child protection system and better reflect the spirit of recent federal enactments such as the Adoption and Safe Families Act of 1997 and the Child Abuse Prevention and Treatment Act Amendments of 1996; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 179, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1453                    Human Services and Housing on H.C.R. No. 42**

The purpose of this concurrent resolution is to ensure the success of the Millennium Young People's Congress (Congress) by expressing the Legislature's support for the Congress.

The Hawaii Community Services Council and one individual testified in support of this measure.

In October 1999, 1,000 young people from 189 countries and territories, will be in Hawaii for a five-day Congress to discuss and present their priorities for the next millennium. Your Committee supports this effort and urges the Legislature to do so as well.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1454                    Human Services and Housing on H.C.R. No. 90**

The purpose of this concurrent resolution is to protect children and families from an inefficient child support enforcement system (system) by requesting the Child Support Enforcement Agency (CSEA) to report on:

- (1) The current status of the system;
- (2) The steps taken to improve the system; and
- (3) The future steps necessary to make the system function efficiently and effectively.

The Department of the Attorney General commented on this measure.

Your Committee finds that this measure is necessary to ensure that complaints such as late checks and missing payments are resolved, thereby raising the standard of living for custodial parents and children.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 90 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

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

**SCRep. 1455                    Culture and the Arts on H.C.R. No. 163**

The purpose of this House Concurrent Resolution is to request that the Governor establish the Puerto Rican Centennial Celebration Commission by executive order.

Testimony in support of this measure was received previously from the Puerto Rican Heritage Society of Hawaii, the Maui Puerto Rican Association, and the United Puerto Rican Association of Hawaii, Incorporated.

Your Committee finds that to protect the commission and the centennial celebration from civil liability, the Puerto Rican Centennial Celebration Commission must be established by a Governor's executive order.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 1456                    Human Services and Housing on H.C.R. No. 77**

The purpose of this concurrent resolution is to prevent and deter domestic violence by urging the police departments and the Prosecuting Attorney's Office of each county to provide adequate and appropriate training to their police officers and attorneys when responding to, investigating, and prosecuting incidents of domestic violence involving dating relationships.

The Department of the Prosecuting Attorney of the City and County of Honolulu (Prosecuting Attorney) and the Honolulu Police Department (HPD) testified in opposition to this measure.



Your Committee finds that this concurrent resolution is premature because the definition of "dating relationship" is too ambiguous and is not codified in statute. However, your Committee believes that protections against domestic violence for persons in dating relationships can be implemented if a workable definition of "dating relationship" is formulated for use in the criminal law context.

Therefore, your Committee has amended this measure by deleting its substance and replacing it with language that:

- (1) Convenes a Task Force (Task Force) to examine the definition of "dating relationship" as it relates to domestic violence;
- (2) Requests that the Task Force:
  - (A) Set parameters for the definition;
  - (B) Research other state statutes that use "dating relationships" in their civil and criminal codes; and
  - (C) Decide on a common definition of "dating relationship" to effectively prevent and deter further domestic abuse;
- (3) Names the participants of the Task Force; and
- (4) Requests the Task Force to submit its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2000.

In addition, your Committee has amended the title of this concurrent resolution to read: "CONVENING A TASK FORCE TO EXAMINE THE DEFINITION OF "DATING RELATIONSHIP" AS IT RELATES TO DOMESTIC VIOLENCE".

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1457 Human Services and Housing on H.C.R. No. 78**

The purpose of this concurrent resolution, as received, is to request the Department of Education (DOE) to:

- (1) Develop a plan to add pre-school facilities and programs on or near all newly contracted or renovated elementary campuses; and
- (2) Allocate classroom space at existing elementary schools for pre-school facilities and programs.

The Hawaii Economic Opportunity Council testified in support of this measure. The Department of Human Services (DHS) testified in support of the intent of this measure. DOE and Seagull Schools testified in opposition to this measure.

Your Committee finds that while it is necessary to expand quality, early education services, the cost of adopting the policy recommended in this concurrent resolution is exorbitant. Therefore, your Committee has amended this measure by deleting the substance and inserting language urging DOE to conduct a needs assessment that:

- (1) Identifies communities that lack pre-school and early childhood programs;
- (2) Determines the adequacy of school and community facilities for such programs; and
- (3) Determines the means to, the cost of, and the types of resources needed for developing universal access to preschool and early childhood programs.

This concurrent resolution has also been amended by changing the title to read, "URGING THE DEPARTMENT OF EDUCATION TO CONDUCT A STATE-WIDE PRE-SCHOOL AND EARLY CHILDHOOD PROGRAM NEEDS ASSESSMENT".

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 78, H.D. 1.

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

**SCRep. 1458 Human Services and Housing and Health on H.C.R. No. 80**

The purpose of this concurrent resolution is to gather strong evidence to justify funding for prevention and early intervention programs by requesting a cost-benefit analysis of prevention and early intervention services.

The Department of Budget and Finance, the Hawaii Medical Services Association, and the University of Hawaii testified in support of this measure. The Department of Health (DOH) testified in support of the intent of this measure.

Your Committees find that comprehensive longitudinal studies assessing the effectiveness and desired outcomes of services of DOH and the Department of Human Services (DHS) are either lacking or too limited in scope. Your Committees believe that this study would help better identify and understand the types of prevention and early intervention services which exist in the state, and evaluate their related costs.

Your Committees have amended this measure by:

- (1) Requiring that the results from the data be used:
  - (A) To create better policymaking and establish funding priorities; and
  - (B) In the development of outcome indicators and benchmarking;
- (2) Encouraging the Auditor, the Department of Education (DOE), DOH, DHS, and the Legislature to seek additional federal and foundation funds to support research on prevention and early intervention services;
- (3) Requiring DOE, DOH, and DHS identify state "prevention" and "early intervention" services;
- (4) Requesting the Auditor to collaboratively work with DOE, the University of Hawaii, Kid's Watch, Hawaii Kid's Count, and the Children's Budget; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 80, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 80, H.D. 1.

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

**SCRep. 1459                      Judiciary and Hawaiian Affairs on S.B. No. 922**

The purpose of this bill is to amend the state of mind required for the offense of unauthorized control of propelled vehicle to include a knowing state of mind.

Your Committee received testimony in support of this bill from the Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department. Comments were received from the Office of the Public Defender.

Your Committee finds that in the prosecution of a charge of unauthorized control of propelled vehicle the State must prove that the defendant intentionally exerted unauthorized control over the vehicle. Consequently, the State may be unable to prove guilt beyond a reasonable doubt when the defendant claims that he thought he had permission from another person whom he believed to be the owner or the agent of the automobile owner. The inclusion of the "knowing" state of mind to the offense would address this problem.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 922, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1460                      Judiciary and Hawaiian Affairs on S.B. No. 1122**

The purpose of this bill is to clarify that the penalty for the offenses of carrying or using a firearm in the commission of a felony and possessing a firearm to facilitate the commission of a felony involving the distribution of a controlled substance are in addition to, and not in lieu of, the penalty for the included offense.

Your Committee received testimony in support of this bill from the Department of the Attorney General, the Department of the Prosecuting Attorney, City and County of Honolulu, and the Department of the Prosecuting Attorney, County of Maui. Testifying in opposition to this bill was the Office of the Public Defender.

The Hawaii Supreme Court, in State v. Jumila, 87 Haw. 1 (1998), ruled that due to "attenuated legislative history," the offense of carrying or using a firearm in the commission of a felony was not punishable as a separate offense for a second degree murder felony. Your Committee believes that this measure clearly states the Legislature's intent to permit conviction of both the firearms offense and the underlying felony offense.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1461                      Judiciary and Hawaiian Affairs on S.B. No. 592**

The purpose of this bill is to exclude law enforcement officers who have been convicted of abuse of a family or household member from the firearms exemption law.

Your Committee received testimony in support of this bill from the Honolulu Police Department, Hawaii State Coalition Against Domestic Violence, Windward Association of University Women, Windward Oahu Branch, and Child and Family Service.

Your Committee finds that removing the firearms exemption for law enforcement officers convicted of an offense involving abuse of a family or household member under Section 709-906, Hawaii Revised Statutes, will increase protection for victims of domestic violence and/or deter such violence.

Your Committee has amended this bill by deleting "members of police departments, and sheriffs" from Section 134-11, Hawaii Revised Statutes, to point out the distinction between law enforcement officers and civilian personnel working for such agencies, and to clarify that civilian personnel are not exempt from the firearms law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 592, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 592, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga and Thielen.

**SCRep. 1462                      Judiciary and Hawaiian Affairs on S.B. No. 594**

The purpose of this bill is to define the term "good cause" as used in section 134-7, Hawaii Revised Statutes.

Your Committee received testimony in support of this bill from the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii State Coalition Against Domestic Violence. Child and Family Service and a private citizen testified in support of the original version of this bill as introduced in the Senate. Also submitting testimony was Lessons in Firearms Education.

Your Committee acknowledges the seriousness of domestic violence and expresses concern that a person subject to an order of protection may still be able to carry a firearm.

Accordingly, your Committee has amended this bill by specifying that a determination of good cause under section 134-7, Hawaii Revised Statutes, may not be based solely upon the fact that the subject of a protective order is required to possess or carry a firearm or ammunition during the course of their employment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 594, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 594, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1463                      Judiciary and Hawaiian Affairs on S.B. No. 616**

The purpose of this bill is to create a civil cause of action for damages by persons coerced into prostitution, against those who coerced them.

Testimony in support of this bill was received by the Hawaii State Commission on the Status of Women, Sisters Offering Support, Hawaii Activities and Tours Association, the American Red Cross, and several concerned individuals.

Your Committee finds that the solicitation and coercion of minors and females into the tawdry world of prostitution is of growing concern in this State. Your Committee finds that the enactment of this bill will send a strong message to the individuals who have been exploiting minors and females that the citizens of this State have zero tolerance for such reprehensible conduct.

Your Committee has amended this bill by:

- (1) Deleting the findings and purpose section;
- (2) Deleting the section relating to a separate cause of action for inducing a minor into prostitution;

- (3) Modifying the list of acts that may serve as evidence in support of claims of coercion, including coercion occurring while a person is a minor;
- (4) Amending the recoverable damages section;
- (5) Deleting the section regarding the effect of criminal convictions;
- (6) Changing the statute of limitations from four to two years; and
- (7) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 616, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 616, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1464                      Judiciary and Hawaiian Affairs on S.B. No. 829**

The purpose of this bill, as received by your Committee, is to conform the Hawaii Rules of Evidence to the current Federal Rules of Evidence with respect to sex offense cases and the relevance of the victim's past behavior.

Your Committee received testimony in support of the bill from the Hawaii State Commission on the Status of Women, the Hawai'i Civil Rights Commission, the Sex Abuse Treatment Center, the National Employment Lawyers Association (Hawai'i Chapter), the Hawaii Women Lawyers and concerned individuals. Comments were received from the Supreme Court Standing Committee on Hawai'i Rules of Evidence and concerned individuals.

Your Committee finds that changes to the Hawaii Rules of Evidence will foster fair resolution of cases involving allegations of sexual misconduct. In addition, appropriate changes will provide further protection for women and children who are victims of sexual harassment.

Your Committee has amended this bill by:

- (1) Deleting provisions relating to Rule 415;
- (2) Clarifying the purpose clause;
- (3) Deleting provisions relating to civil actions as proposed in the measure;
- (4) Providing that in any civil action alleging conduct which constitutes a sexual offense or sexual harassment, evidence of specific instances of plaintiff's sexual conduct is not admissible by the defendant to prove consent by the plaintiff, unless the injury alleged by the plaintiff is in the nature of loss of consortium;
- (5) Providing that in any civil action alleging conduct which constitutes a sexual offense or sexual harassment, if the plaintiff introduces evidence that relates to the plaintiff's sexual conduct, the defendant may cross-examine the witness and offer relevant evidence that is limited specifically to the rebuttal of the evidence introduced; and
- (6) Providing that in civil cases, Rule 412 does not make inadmissible evidence offered to attack the credibility of the plaintiff.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 829, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 829, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1465                      Judiciary and Hawaiian Affairs on S.B. No. 919**

The purpose of this bill is to expand the definition of "dangerous weapon" under section 708-840, Hawaii Revised Statutes, to include the use or threat of use of an animal to cause death or serious bodily injury in the case of a robbery.

The Prosecuting Attorney, City and County of Honolulu testified that this bill was originally designed to address the issue of what is sufficient to constitute the offense of robbery. The Office of the Public Defender testified in support of this bill and opposed any effort to reinstate provisions of the original form of the bill. Also testifying in support of this bill were the West Hawaii Humane Society and two private citizens. The Honolulu Police Department submitted testimony in opposition to this bill.

A recent Hawaii Supreme Court decision, *State v. Mitsuda*, 86 Haw. 37 (1997), held that where a defendant threatens the imminent use of force against any person present with the intent to compel acquiescence to the taking of or escaping with property, the victim

must be aware of the theft of the property for the offense of robbery in the first degree to have occurred. Your Committee believes that this was not the intent of the Legislature when it originally enacted this law providing for the offense of robbery in the first degree. Your Committee further believes that it is necessary to clarify that the offense of robbery does not require the victim or any other person present to be aware of the theft or the attempted theft of the property.

Your Committee has amended this bill by adding language to section 708-840, robbery in the first degree and section 708-841, robbery in the second degree to clarify that the respective offenses occur when a person threatens the use of force with the intent to take or escape with the property.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1466                      Judiciary and Hawaiian Affairs on S.B. No. 1118**

The purpose of this bill is to create two new felony offenses:

- (1) Habitual criminal behavior against persons; and
- (2) Habitual criminal behavior against property.

Testimony in support of the measure was received from the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Maui County Police Department, the Hawaii County Police Department, and the Honolulu Police Department. Additional testimony was received from the Affordable Housing and Homeless Alliance, the Office of the Public Defender, and several members of the public.

Your Committee finds that there are many criminals who repeatedly commit misdemeanor offenses. These persons know that under current law, if caught, the consequences of their conduct will be relatively minor. As such, there is currently no serious deterrent to their repeated criminal behavior. Your Committee finds that a mandatory sentence will send a strong message that repeated criminal behavior will not be tolerated.

Your Committee has amended this bill by deleting its substance and inserting provisions that:

- (1) Consolidate a number of the habitual offenses against persons and property enumerated in this bill as received, into section 706-606.5, Hawaii Revised Statutes, namely:
  - (A) Assault in the third degree;
  - (B) Terroristic threatening in the second degree;
  - (C) Sexual assault in the fourth degree;
  - (D) Criminal property damage in the third degree;
  - (E) Theft in the third degree; and
  - (F) Misdemeanor shoplifting;
- (2) Make the multiple offender of any of these offenses subject to a sentence of at least 120 days of imprisonment in cases where a person is convicted on at least three prior and separate occasions of any of the specified misdemeanor offenses within a three-year period; and
- (3) Make technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1118, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki and Yoshinaga.

**SCRep. 1467                      Judiciary and Hawaiian Affairs on S.B. No. 1119**

The purpose of this bill is to revise the offense of murder by:

- (1) Redefining the offense of murder in the first degree as knowing or intentional killing;

- (2) Redefining the offense of murder in the second degree as reckless killing with extreme indifference to the value of human life; and
- (3) Revising the extreme mental or emotional disturbance defense to one that reduces the level of the offense by only one level.

Testimony in support of this bill was received from the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Maui County Police Department, the County of Hawaii Police Department, and the Honolulu Police Department. Testimony in opposition was received from the Office of the Public Defender.

Under current law, in a trial for murder there is a burden placed upon the prosecution to disprove the existence of an extreme mental or emotional disturbance which reduces the charge to that of manslaughter. Your Committee finds that the defendant in a prosecution for murder should carry the burden of proof to the preponderance that the defendant was at the time of the killing under the influence of extreme mental or emotional disturbance for which there is a reasonable explanation.

Your Committee has amended this bill by deleting its substance and inserting a provision which creates an affirmative defense that the defendant was, at the time the defendant caused the death of the other person, under the influence of extreme mental or emotional disturbance for which there is a reasonable explanation. Your Committee further amended this bill by deleting the effective date.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1119, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1119, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1468                      Judiciary and Hawaiian Affairs on S.B. No. 630**

The purpose of this bill is to:

- (1) Require the reporting of late contributions;
- (2) Require electronic filing by candidates as prescribed by the commission; and
- (3) Restrict aggregate contributions, except those made by political parties, to no more than \$25,000 in any calendar year.

Testimony in support of this bill was received from the Campaign Spending Commission, Common Cause Hawaii, Aloha Society of Association Executives, and the American Civil Liberties Union of Hawaii.

Your Committee finds that the careful reform of the campaign spending laws is necessary to increase the public's confidence in the electoral process. In certain instances, late contributions may significantly impact the outcome of an election.

Your Committee has amended this bill by deleting its substance and inserting provisions to require that aggregate campaign contributions in excess of \$500 made or received during the period of fifteen days through three days prior to an election be reported to the Campaign Spending Commission or County Clerk no later than two days prior to the election.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 630, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 630, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Yoshinaga and Thielen.

**SCRep. 1469                      Judiciary and Hawaiian Affairs on S.B. No. 631**

The purpose of this bill is to make it easier for a political party to qualify and operate in Hawaii. Specifically, this is accomplished by lowering the number of required signatures on the petition to be filed with the Chief Elections Officer from one per cent to one tenth of one per cent of registered voters at the last general election in order to qualify as a political party.

Testimony in support of this measure was received from the Office of Elections, Common Cause Hawaii, The Libertarian Party of Hawaii, Hawaii Green Party, and several private citizens.

Your Committee finds it is important to encourage and facilitate the participation of new political parties to ensure the exchange of ideas through the political process.

Your Committee has amended this bill by:

- (1) Deleting the purpose and findings section;
- (2) Deleting the language amending the definition of "political party";

- (3) Inserting language clarifying what requirements must be met to qualify as a political party in Hawaii; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1470                      Judiciary and Hawaiian Affairs on S.B. No. 1502**

The purpose of this bill is to:

- (1) Require a candidate or a committee to file a report with the Campaign Spending Commission disclosing disbursements for electioneering communications over a \$5,000 annual threshold, and;
- (2) Treat the expenses incidental to a fundraiser as campaign expenditures.

Testimony in support of the bill was received from the League of Women Voters of Hawaii and Common Cause Hawaii. Additional testimony was received from the Campaign Spending Commission, the Hawaii State Coordinating Council on Deafness, and the Aloha State Association of the Deaf.

Your Committee has amended this bill by:

- (1) Changing from \$5,000 to \$1,000 the aggregate amount for which disclosure is required; and
- (2) Deleting language that treated expenses incidental to a fundraiser as campaign expenditures.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1502, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1502, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Morita, Takumi and Yoshinaga.

**SCRep. 1471                      Judiciary and Hawaiian Affairs on S.B. No. 186**

The purpose of this bill, as received, limits tort liability in breach of contract actions, and provides for the naming of fictitious defendants whose true identities cannot be ascertained with reasonable certainty at the time of filing suit.

Testimony in support of this bill was received from The Chamber of Commerce of Hawaii. Testimony in opposition in part to this bill was received from the Consumer Lawyers of Hawaii.

Your Committee finds that the provision of this bill regarding tortious breach of contract exists in Hawaii case law. Additionally, the provision of this bill regarding fictitious defendants exists in the Hawaii Rules of Civil Procedure.

Your Committee finds that a person victimized by the negligence or wrongful acts of another must be equitably compensated for those injuries. At the same time, your Committee recognizes that the present system often times leaves defendants with virtually limitless exposure in many of these cases. Your Committee finds that there is need for a mechanism to discourage frivolous claims and facilitate the fair and quick resolution of meritorious claims.

Your Committee believes that these changes in the civil justice system will create the balance needed to ensure that fairness and equity prevail while improving our business climate and economy.

Your Committee has amended this bill by:

- (1) Deleting the provision regarding tortious breach of contract;
- (2) Deleting the provision permitting persons to name fictitious defendants whose identity cannot be ascertained with reasonable certainty at the time of filing the action;
- (3) Adding a purpose clause;
- (4) Adding a provision to discourage frivolous claims and defenses;
- (5) Adding a provision limiting recovery of noneconomic damages in certain tort actions to \$500,000;

- (6) Adding a provision regarding offers of judgment in civil actions;
- (7) Adding a provision limiting punitive damage awards and giving discretion as to the award amount to the court;
- (8) Adding a provision to change the degree of negligence for which a joint tortfeasor will become subject to the imposition of joint and several liability;
- (9) Adding provisions which describe which claims will be affected by the Act;
- (10) Adding a severability clause; and
- (11) Deleting the effective date.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 186, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 186, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Morita, Yoshinaga and Thielen.

**SCRep. 1472                    Human Services and Housing on H.R. No. 64**

The purpose of this resolution is to prevent and deter domestic violence by urging the police departments and the Prosecuting Attorney's Office of each county to provide adequate and appropriate training to their police officers and attorneys when responding to, investigating, and prosecuting incidents of domestic violence involving dating relationships.

The Department of the Prosecuting Attorney of the City and County of Honolulu (Prosecuting Attorney) and the Honolulu Police Department (HPD) testified in opposition to this measure.

Your Committee finds that this resolution is premature because the definition of "dating relationship" is too ambiguous and is not codified in statute. However, your Committee believes that protections against domestic violence for persons in dating relationships can be implemented if a workable definition of "dating relationship" is formulated for use in the criminal law context.

Therefore, your Committee has amended this measure by deleting its substance and replacing it with language that:

- (1) Convenes a Task Force (Task Force) to examine the definition of "dating relationship" as it relates to domestic violence;
- (2) Requests that the Task Force:
  - (A) Set parameters for the definition;
  - (B) Research other state statutes that use "dating relationships" in their civil and criminal codes; and
  - (C) Decide on a common definition of "dating relationship" to effectively prevent and deter further domestic abuse;
- (3) Names the participants of the Task Force; and
- (4) Requests the Task Force to submit its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2000.

In addition, your Committee has amended the title of this resolution to read: "CONVENING A TASK FORCE TO EXAMINE THE DEFINITION OF "DATING RELATIONSHIP" AS IT RELATES TO DOMESTIC VIOLENCE".

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 64, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Santiago and Stegmaier.

**SCRep. 1473                    Higher Education on H.R. No. 78**

The purpose of this resolution is to urge the Board of Regents and the President of the University of Hawaii to increase funding for the University of Hawaii at Hilo's (UH-Hilo) athletic program.

Testimony in support of the resolution was submitted by UH- Hilo Athletic Booster Club and two individuals. In addition, a petition with numerous signatures was received supporting the intent of the resolution

Your Committee supports the intent of the resolution. However, in recognition of the Legislature's recent efforts to create a greater sense of independence for the University of Hawaii, your Committee feels that it is inappropriate for the Legislature to specify



a particular solution to identified problems. Rather, the University of Hawaii should independently determine how the problems should be addressed.

Your Committee has amended the resolution by:

- (1) Expressing support for UH-Hilo's athletic program rather than urging an increase in funding for it;
- (2) Revising the title to reflect the change in substance of the resolution; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 78, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1474 Higher Education on H.C.R. No. 89**

The purpose of this concurrent resolution is to urge the Board of Regents and the President of the University of Hawaii to increase funding for the University of Hawaii at Hilo's (UH-Hilo) athletic program.

Testimony in support of the concurrent resolution was submitted by UH- Hilo Athletic Booster Club and two individuals. In addition, a petition with numerous signatures was received supporting the intent of the resolution

Your Committee supports the intent of the concurrent resolution. However, in recognition of the Legislature's recent efforts to create a greater sense of independence for the University of Hawaii, your Committee feels that it is inappropriate for the Legislature to specify a particular solution to identified problems. Rather, the University of Hawaii should independently determine how the problems should be addressed.

Your Committee has amended the concurrent resolution by:

- (1) Expressing support for UH-Hilo's athletic program rather than urging an increase in funding for it;
- (2) Revising the title to reflect the change in substance of the concurrent resolution; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 89, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1475 Agriculture on H.R. No. 77**

The purpose of this resolution is to request the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa (CTAHR) and the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo(CAFNRM) to investigate ways in which both agencies can work together in an organized manner for the mutual benefit of the agricultural industry of the state.

Your Committee finds that, presently, there is considerable cooperation and collaboration between CTAHR-Manoa and CAFNRM-Hilo in horticulture, forestry, pasture management, erosion control, workshops and faculty members.

This resolution requests the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa and the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo to seek ways in which both agencies can work jointly for the benefit of statewide agriculture.

Your Committee received testimonies in support of this measure from the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, the University of Hawaii at Hilo and the Hawaii Agriculture Research Center.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 77, and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1476 Agriculture on H.C.R. No. 88**

The purpose of this concurrent resolution is to request the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa (CTAHR) and the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo (CAFNRM) to investigate ways in which both agencies can work together in an organized manner for the mutual benefit of the agricultural industry of the state.

Your Committee finds that, presently, there is considerable cooperation and collaboration between CTAHR-Manoa and CAFNRM-Hilo in horticulture, forestry, pasture management, erosion control, workshops and faculty members.

This concurrent resolution requests the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa and the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo to seek ways in which both agencies can work jointly for the benefit of statewide agriculture.

Your Committee received testimonies in support of this measure from the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa, the University of Hawaii at Hilo and the Hawaii Agriculture Research Center.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1477                      Economic Development and Business Concerns on H.C.R. No. 228**

The purpose of this measure is to request that the Auditor, in conjunction with the Department of Taxation, study the feasibility of exempting school groups from all general excise taxes, including:

- (1) A determination of the cost to the general fund;
- (2) Any other costs to the State;
- (3) The difficulties of exempting school groups; and
- (4) The benefits of exempting school groups.

The Department of Taxation submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 228, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Abinsay and Ito.

**SCRep. 1478                      Human Services and Housing and Health on H.C.R. No. 178**

The purpose of this concurrent resolution is to enable the Caring...for Life Foundation to act as the single agency to coordinate the framework for a public-private partnership for a long-term care system in Hawaii.

The Caring...for Life Foundation and the Hawaii Medical Services Association testified in support of this measure. The Department of Human Services testified in support of the intent of this measure. The American Association of Retired Persons commented on this measure.

Your Committees are committed to finding better ways to serve the needs of individuals needing long-term care services and believe that this measure is another step toward reaching this end.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 178 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Kawakami, Stegmaier and McDermott.

**SCRep. 1479                      Higher Education on H.R. No. 69**

The purpose of this resolution is to request the University of Hawaii to convene a study group to create a new higher education title in the Hawaii Revised Statutes which clearly expresses legislative intent and recodifies the higher education statutes.

Your Committee finds that the recent fiscal and managerial autonomy granted to the University of Hawaii prompts a review of whether statutes relating to the university and higher education should be recodified to reflect the university's independence from other agencies in the executive branch.

Your Committee has amended this resolution by requesting the Legislative Reference Bureau to initiate recodification of the higher education statutes with the assistance of the University of Hawaii and the higher education committees in the Legislature.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1480 Higher Education on H.C.R. No. 82**

The purpose of this concurrent resolution is to request the University of Hawaii to convene a study group to create a new higher education title in the Hawaii Revised Statutes which clearly expresses legislative intent and recodifies the higher education statutes.

Your Committee finds that the recent fiscal and managerial autonomy granted to the University of Hawaii prompts a review of whether statutes relating to the university and higher education should be recodified to reflect the university's independence from other agencies in the executive branch.

Your Committee has amended this concurrent resolution by requesting the Legislative Reference Bureau to initiate recodification of the higher education statutes with the assistance of the University of Hawaii and the higher education committees in the Legislature.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 82, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1481 Judiciary and Hawaiian Affairs on H.R. No. 54**

The purpose of this resolution is to request the Attorney General to convene a working group to look at policies and procedures of the criminal justice system on Oahu and identify gaps concerning adult domestic violence.

Your Committee received testimony in support of this resolution from the Judiciary, the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse, Child and Family Service, and Hawaii Family Forum.

Your Committee amended the resolution by:

1. Inserting into the request to the Attorney General that the focus of the working group be upon domestic violence cases; and,
2. Clarifying that a representative from the Adult Probation Division of the Judiciary be made a part of the working group.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 54, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 54, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Auwae and Thielen.

**SCRep. 1482 Judiciary and Hawaiian Affairs on H.C.R. No. 65**

The purpose of this resolution is to request the Attorney General to convene a working group to look at policies and procedures of the criminal justice system on Oahu and identify gaps concerning adult domestic violence.

Your Committee received testimony in support of this resolution from the Judiciary, the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse, Child and Family Service, and Hawaii Family Forum.

Your Committee amended the resolution by:

1. Inserting into the request to the Attorney General that the focus of the working group be upon domestic violence cases; and,
2. Clarifying that a representative from the Adult Probation Division of the Judiciary be made a part of the working group.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 65, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Auwae and Thielen.

**SCRep. 1483                      Judiciary and Hawaiian Affairs on H.C.R. No. 99**

The purpose of this resolution is to request the Congress of the United States to send to the States an amendment to the United States Constitution that would end the self-proclaimed power and authority to tax exercised by the federal courts.

Testimony in support of this resolution was received from Missouri State Senator Walt Mueller and The Madison Forum.

Your Committee finds that some federal courts have exercised the power to levy and increase taxes. This practice infringes upon the authority granted to the legislative branch of government to tax pursuant to the Constitution of the United States.

Your Committee has amended this resolution by:

- (1) Deleting language urging other states that have not made a similar request, to apply to the United States Congress requesting the amendment to the United States Constitution;
- (2) Deleting language requiring the transmittal of certified copies of the resolution to all presiding officers of each house of the Legislature in every state in the union; and
- (3) Making technical and non-substantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 99, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 99, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Auwae and Thielen.

**SCRep. 1484                      Judiciary and Hawaiian Affairs on H.C.R. No. 171**

The purpose of this resolution is to request that the Legislative Reference Bureau study the impact of adopting a state version of the federal Religious Freedom Restoration Act.

Testimony in support of this resolution was received from the Hawaii Catholic Conference, the Hawaii Family Forum, the Coalition for the Free Exercise of Religion, the American Civil Liberties Union of Hawaii, and two concerned individuals.

Your Committee finds that an assessment of a state version of the Religious Freedom Restoration Act would be in the best interests of the citizenry of this State.

Your Committee has amended this resolution by:

- (1) Requesting that the Legislative Reference Bureau study how adopting a compelling interest standard for analyzing burdens on religious exercise will impact existing civil rights laws and claims;
- (2) Including language allowing the Legislative Reference Bureau to consider the impact of the adoption of a Religious Freedom Restoration Act on various issues; and
- (3) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 171, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Auwae and Thielen.

**SCRep. 1485                      Health and Human Services and Housing on H.C.R. No. 190**

The purpose of this concurrent resolution, as received, is to urge the Hawaii Appleseed Public Interest Law Center to continue its comprehensive review of Hawaii's laws relating to child protection.

The Department of Human Services and the Hawaii State Foster Parent Association testified in support of the intent of this measure.

Your Committees find that this measure is duplicative of a similar concurrent resolution, H.C.R. No. 179, which passed out of your Committee on Human Services and Housing. Your Committees believe, therefore, that this measure is unnecessary but can be used as a vehicle to address another critical issue.

The Hawaii State Hospital will discontinue its outpatient and related services of the Neuropsychology Department effective March 31, 1999. This is one of the very few affordable services that are available to persons with special needs, among them the brain-injured population. Those patients currently being served, along with those on the waiting list, will have no place to go once these services are discontinued.

While the Department of Health (DOH) has attempted to help these patients make the transition into the community, DOH has only provided a list of neuropsychologists to patients. None of the listed neuropsychologists provide the neuro-training and cognitive rehabilitation services offered by the State's Neuropsychology Department.

Your Committees believe that an emergency situation exists. Therefore, your Committees have amended this measure by deleting its substance and replacing it with language urging DOH to extend its services of the Neuropsychology Department until appropriate and adequate alternatives are found.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 190, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 190, H.D. 1.

Signed by all members of the Committees except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1486                      Human Services and Housing on H.R. No. 149**

The purpose of this resolution is to show support for Individual Development Accounts (IDAs) as an effective and important asset-building mechanism by requesting the Department of Human Services (DHS), the Housing and Community Development Corporation of Hawaii, and the Department of Business, Economic Development, and Tourism, to:

- (1) Collaborate with IDA practitioners and support organizations in developing IDAs in the State; and
- (2) Disregard IDAs in determining benefits or eligibility for services that account holders may receive from state agencies.

DHS, the House and Community Development Corporation of Hawaii, the Office of Hawaiian Affairs, the Department of Community Services of the City and County of Honolulu, Legal Aid Society of Hawaii, Parents and Children Together, Bank of Hawaii, Waimanalo Community Development Corporation, Nanakuli Neighborhood Housing Services, Inc., the Hawaii State Commission on the Status of Women, the Hawaii Area Program of the American Friends Service Committee, and several individuals testified in support of this resolution.

Your Committee recognizes the importance of IDAs in helping low-income individuals and their families save part of their income for future use toward such investments as a post-secondary education, a first-time home purchase, or a business start-up. Your Committee notes that IDAs have been beneficial in transitioning low-income families toward financial self-sufficiency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 149 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1487                      Human Services and Housing on H.C.R. No. 169**

The purpose of this concurrent resolution is to show support for Individual Development Accounts (IDAs) as an effective and important asset-building mechanism by requesting the Department of Human Services (DHS), the Housing and Community Development Corporation of Hawaii, and the Department of Business, Economic Development, and Tourism, to:

- (1) Collaborate with IDA practitioners and support organizations in developing IDAs in the State; and
- (2) Disregard IDAs in determining benefits or eligibility for services that account holders may receive from state agencies.

DHS, the House and Community Development Corporation of Hawaii, the Office of Hawaiian Affairs, the Department of Community Services of the City and County of Honolulu, Legal Aid Society of Hawaii, Parents and Children Together, Bank of Hawaii, Waimanalo Community Development Corporation, Nanakuli Neighborhood Housing Services, Inc., the Hawaii State Commission on the Status of Women, the Hawaii Area Program of the American Friends Service Committee, and several individuals testified in support of this concurrent resolution.

Your Committee recognizes the importance of IDAs in helping low-income individuals and their families save part of their income for future use toward such investments as a post-secondary education, a first-time home purchase, or a business start-up. Your Committee notes that IDAs have been beneficial in transitioning low-income families toward financial self-sufficiency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 169 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1488                    Human Services and Housing on H.R. No. 214**

The purpose of this resolution is to request the Department of Human Services (DHS) be more flexible in accepting time related to educational and work activities, such as transportation and study time, as part of the weekly hourly work requirement for individuals receiving public assistance.

The Hawaii State Commission on the Status of Women, the Hawaii Area Program of the American Friends Service Committee, and an individual testified in support of this measure. The Bachelor of Social Work Student Organization at the University of Hawaii at Manoa and an individual testified in support of the intent of this measure. DHS testified that it does not support the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1489                    Human Services and Housing on H.C.R. No. 244**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) be more flexible in accepting time related to educational and work activities, such as transportation and study time, as part of the weekly hourly work requirement for individuals receiving public assistance.

The Hawaii State Commission on the Status of Women, the Hawaii Area Program of the American Friends Service Committee, and an individual testified in support of this measure. The Bachelor of Social Work Student Organization at the University of Hawaii at Manoa and an individual testified in support of the intent of this measure. DHS testified that it does not support the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 244 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1490                    Human Services and Housing on H.C.R. No. 248**

The purpose of this concurrent resolution is to promote strong families through positive fathering initiatives by requesting the Governor to convene a Fatherhood Task Force (Task Force) for this purpose.

Hawaii Catholic Conference, Parents and Children Together, and the Hawaii Coalition for Dads testified in support of this measure. The Department of Human Services and the Department of Health testified in support of the intent of this measure.

Your Committee recognizes the importance of fathers and believes that the Task Force would help reaffirm the critical role of fathers in the lives of their children, their families, and the community.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 248 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, McDermott and Pendleton.

**SCRep. 1491                    Human Services and Housing on H.C.R. No. 239**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to examine the effects of decreased funding to public assistance recipients implemented as part of Hawaii's welfare reform program.

Your Committee finds that as public assistance benefits decrease, it is important that the real effects upon those affected be ascertained on an ongoing basis so that appropriate policies are implemented.

The Hawaii State Commission on the Status of Women, the National Association of Social Workers, and several individuals testified in support of this measure. The American Friends Service Committee supported the intent of the measure. DHS opposed the measure.

Your Committee has amended this measure by:

- (1) Providing that the DHS work in conjunction with public assistance recipients, social workers, and the University of Hawaii at Manoa to prepare the evaluation;
- (2) Specifying that a preliminary and final report be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000 and 2001, respectively; and
- (3) Directing that certified copies of the measure be transmitted to the President of the University of Hawaii, the Program Coordinator of the American Friends Service Committee, Hawaii Area Program, and the Executive Director of the National Association of Social Workers.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 239, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 239, H.D. 1.

Signed by all members of the Committee except Representatives Kawakami, McDermott and Pendleton.

**SCRep. 1492 Human Services and Housing and Health on H.C.R. No. 240**

The purpose of this concurrent resolution is to ensure equity and accountability by establishing a Task Force to review and report on the contractor and subcontractor arrangements between the QUEST medical plans and their providers.

The Hawaii Medical Association and one individual testified in support of this measure. The Department of Human Services testified in support of the intent of this measure.

This measure ensures that the Legislature is informed as to the contractor and subcontractor arrangements between the QUEST medical plans and their providers. Additionally, this measure ensures accountability of taxpayer money in the QUEST program.

Your Committees have amended this measure by:

- (1) Including the Chair of the House Human Services and Housing Committee to serve on the Task Force;
- (2) Directing the transmittal of a certified copy of the measure to the Director of the Legislative Reference Bureau; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 240, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 240, H.D. 1.

Signed by all members of the Committees except Representatives Stegmaier and McDermott.

**SCRep. 1493 Health on H.R. No. 95**

The purpose of this resolution is to request a Patients' Bill of Rights Task Force (Task Force) to study the advisability and feasibility of creating a data bank with provider information for access by health care consumers.

The Task Force study shall include:

- (1) Assessment of the demand for health care provider information;
- (2) Current information about health care providers that are available from state agencies;
- (3) Issues relating to protecting the privacy rights of health care providers;
- (4) Designation of the appropriate state agency, or creation of a new agency, to disseminate information about health care providers;
- (5) Assessment of the costs of providing public information about health care provider; and
- (6) Recommendations for legislative enactments or for administrative rule changes, or both.

The Hawaii Medical Service Association testified in support of the measure. The Hawaii Nurses' Association testified in support of the measure, expressing nurses' privacy concerns. The Hawaii Medical Association testified in opposition to the measure.

Your Committee has amended this resolution by deleting a paragraph regarding a September 1995 report from the federal General Accounting Office because it is misleading.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 95, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 95, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1494                      Health on H.C.R. No. 105**

The purpose of this concurrent resolution is to request a Patients' Bill of Rights Task Force (Task Force) to study the advisability and feasibility of creating a data bank with provider information for access by health care consumers.

The Task Force study shall include:

- (1) Assessment of the demand for health care provider information;
- (2) Current information about health care providers that are available from state agencies;
- (3) Issues relating to protecting the privacy rights of health care providers;
- (4) Designation of the appropriate state agency, or creation of a new agency, to disseminate information about health care providers;
- (5) Assessment of the costs of providing public information about health care provider; and
- (6) Recommendations for legislative enactments or for administrative rule changes, or both.

The Hawaii Medical Service Association testified in support of the measure. The Hawaii Nurses' Association testified in support of the measure, expressing nurses' privacy concerns. The Hawaii Medical Association testified in opposition to the measure.

Your Committee has amended this concurrent resolution by deleting a paragraph regarding a September 1995 report from the federal General Accounting Office because it is misleading.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1495                      Health on H.C.R. No. 113**

The purpose of this concurrent resolution is to give consumers a broader choice of mental health, alcohol, and drug abuse treatment services by requesting the Legislative Auditor to assess the social and financial effects of including marriage and family therapists as mandated providers of these services.

The Hawaii Association for Marriage and Family Therapy, Olivet Baptist Church, Benefit Capital Financial Services, the Samaritan Counseling Center of Hawaii, and numerous individuals testified in support of this measure.

Your Committee is concerned that marriage and family therapists may not be properly trained to provide mental health, alcohol, and drug abuse services. Although this concern is broadly addressed in the study, if there are criteria and facts that support a more limited mandated coverage, your Committee would like to have this particular concern addressed in the study.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 1496                      Health on H.C.R. No. 34**

The purpose of this concurrent resolution is to request the Auditor to study the social and financial impacts as required by section 23-51, Hawaii Revised Statutes, of requiring insurance coverage for:

- (1) Bone mass measurement and hormone replacement therapy in connection with osteoporosis;



- (2) Annual mammograms for women aged forty and over;
- (3) Cervical cytology screening for women aged eighteen and over; and
- (4) Direct access to obstetric and gynecological services, twice yearly and not as an employer option, for the subscriber of any dependent covered by the policy.

The Hawaii State Commission on the Status of Women testified in support of this concurrent resolution. The Legislative Information Services of Hawaii, Inc., supported the measure with revisions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends that it be referred to the Committees on Consumer Protection and Commerce and Legislative Management.

Signed by all members of the Committee.

**SCRep. 1497                      Water and Land Use on H.C.R. No. 47**

The purpose of this resolution is to urge the Honolulu City Council to adopt Resolution No. 98-226, proposing amendments to Chapter 21, Revised Ordinances of Honolulu 1990, relating to zoning of adult establishments.

Your Committee received testimony in support of this resolution from one individual.

Your Committee finds that in mixed business/residential areas, businesses that do not fit in with the surrounding neighborhood can severely downgrade the quality of life for the community. This issue affects many neighborhoods, not only McCully, and the legislature may wish to consider expanding the scope of the resolution.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1498                      Water and Land Use on H.R. No. 122**

The purpose of this resolution is to request the Office of Planning to establish working groups on each island to identify, examine, and resolve outstanding land issues and their impact on the Hawaiian and native Hawaiian peoples and culture.

Your Committee received testimony as follows:

1. One state representative and one individual, in support; and
2. Office of Planning of the Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, in opposition.

The Office of Planning testified that the broad scope of the resolution would result in a time-intensive task for which it did not have sufficient funds, and that a narrower, clearly defined mission would need to be defined.

The Office of Hawaiian Affairs expressed concerns about the composition of the working group, particularly with organizations having land use interests. The position of OHA is that its constitutional mandate requires that it should lead any study related to practices, traditions and rights that define Native Hawaiian culture.

Your Committee finds that the land use issues relating to the Native Hawaiian community need to be addressed, but that time constraints require that these matters be resolved in the next committee. The Office of Planning and the Office of Hawaiian Affairs will meet with the sponsor of this resolution to develop a consensus position and submit its proposal.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 122, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1499                      Water and Land Use on H.C.R. No. 135**

The purpose of this resolution is to request the Office of Planning to establish working groups on each island to identify, examine, and resolve outstanding land issues and their impact on the Hawaiian and native Hawaiian peoples and culture.

Your Committee received testimony as follows:

1. One state representative and one individual, in support; and
2. Office of Planning of the Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, in opposition.

The Office of Planning testified that the broad scope of the resolution would result in a time-intensive task for which it did not have sufficient funds, and that a narrower, clearly defined mission would need to be defined.

The Office of Hawaiian Affairs expressed concerns about the composition of the working group, particularly with organizations having land use interests. The position of OHA is that its constitutional mandate requires that it should lead any study related to practices, traditions and rights that define Native Hawaiian culture.

Your Committee finds that the land use issues relating to the Native Hawaiian community need to be addressed, but that time constraints require that these matters be resolved in the next committee. The Office of Planning and the Office of Hawaiian Affairs will meet with the sponsor of this resolution to develop a consensus position and submit its proposal.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1500                      Water and Land Use on H.R. No. 191**

The purpose of this resolution is to request the Department of Land and Natural Resources to study the feasibility of the "gratis" conveyance of the fee simple interest in the land currently occupied by Maunalaha residents on Oahu into a community land trust to be held in perpetuity and managed by the Maunalaha Valley Community Association for the benefit of the residents of Maunalaha and their descendants.

Your Committee received testimony in support of this resolution from the Office of Hawaiian Affairs and three individuals, and in opposition from the Board of Land and Natural Resources.

Your Committee finds that many families of Hawaiian ancestry living in the Maunalaha region of Makiki Heights have been living in the area for a very long time, some since the Great Mahele. The land is owned by the state and leased to the residents, who live in substandard homes, some in tents. They cannot qualify for loans, in part because of their non-ownership of the property, but primarily because of the substandard infrastructure, and thus cannot upgrade or rebuild their homes.

Your Committee revised this resolution by:

1. Removing the provisions relating to the conveyance of land;
2. Changing the title and contents to urge the Department of Land and Natural Resources to assist the residents of Maunalaha Valley in improving infrastructure, and suggest legislation or other measures to suspend the succession rights provisions of leases to facilitate the acquisition of loans;
3. Requesting the department to consult with financial institutions to determine the specific obstacles that prevent Maunalaha residents from receiving loans; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 191, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.R. No. 191, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1501                      Water and Land Use on H.C.R. No. 213**

The purpose of this resolution is to request the Department of Land and Natural Resources to study the feasibility of the "gratis" conveyance of the fee simple interest in the land currently occupied by Maunalaha residents on Oahu into a community land trust to be held in perpetuity and managed by the Maunalaha Valley Community Association for the benefit of the residents of Maunalaha and their descendants.

Your Committee received testimony in support of this resolution from the Office of Hawaiian Affairs and three individuals, and in opposition from the Board of Land and Natural Resources.

Your Committee finds that many families of Hawaiian ancestry living in the Maunalaha region of Makiki Heights have been living in the area for a very long time, some since the Great Mahele. The land is owned by the state and leased to the residents, who live in

substandard homes, some in tents. They cannot qualify for loans, in part because of their non-ownership of the property, but primarily because of the substandard infrastructure, and thus cannot upgrade or rebuild their homes.

Your Committee revised this resolution by:

1. Removing the provisions relating to the conveyance of land;
2. Changing the title and contents to urge the Department of Land and Natural Resources to assist the residents of Maunaloa Valley in improving infrastructure, and suggest legislation or other measures to suspend the succession rights provisions of leases to facilitate the acquisition of loans;
3. Requesting the department to consult with financial institutions to determine the specific obstacles that prevent Maunaloa residents from receiving loans; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 213, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 213, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1502 Water and Land Use on H.R. No. 221**

The purpose of this resolution is to request the Department of Land and Natural Resources and the individual counties to solicit development plans by Hawaiian canoe club lessees to develop, upgrade, renew, or revitalize the land on which they lease.

Your Committee received testimony in support of this resolution from Manu O Ke Kai Canoe Club, No Kupuona and three individuals, and comments from the Board of Land and Natural Resources.

Your Committee finds that Hawaiian canoe clubs help to continue the cultural tradition of Hawaiian canoe paddling and training, and provide a source of recreational activities for many residents. Many clubs are on public lands and have revocable permits and year-to-year tenancies. Longer leases would give the clubs greater stability and would provide a greater incentive for facility improvements by the clubs.

Your Committee revised this resolution by:

1. Substituting general reference to long-term leases for the 35- to 55-year lease terms in the title and contents;
2. Changing the reference to Section 171-36, Hawaii Revised Statutes to sections 171-43 and 171-43.1, which allows for leases to charitable or religious organizations;
3. Adding a provision to encourage canoe clubs to apply for leases as eleemosynary organizations; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 221, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.R. No. 221, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1503 Water and Land Use on H.C.R. No. 252**

The purpose of this resolution is to request the Department of Land and Natural Resources and the individual counties to solicit development plans by Hawaiian canoe club lessees to develop, upgrade, renew, or revitalize the land on which they lease.

Your Committee received testimony in support of this resolution from Manu O Ke Kai Canoe Club, No Kupuona and three individuals, and comments from the Board of Land and Natural Resources.

Your Committee finds that Hawaiian canoe clubs help to continue the cultural tradition of Hawaiian canoe paddling and training, and provide a source of recreational activities for many residents. Many clubs are on public lands and have revocable permits and year-to-year tenancies. Longer leases would give the clubs greater stability and would provide a greater incentive for facility improvements by the clubs.

Your Committee revised this resolution by:

1. Substituting general reference to long-term leases for the 35- to 55-year lease terms in the title and contents;

2. Changing the reference to Section 171-36, Hawaii Revised Statutes to sections 171-43 and 171-43.1, which allows for leases to charitable or religious organizations;
3. Adding a provision to encourage canoe clubs to apply for leases as eleemosynary organizations; and
4. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 252, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1504                      Water and Land Use on H.R. No. 143**

The purpose of this resolution is to request the Board of Land and Natural Resources to allow a portion of the Nike base at Mokuleia to be used by Leeward Community College for the establishment of telescope facilities and for the development of an international science teacher training center to bring about necessary reforms in science education in America's schools.

Your Committee received testimony in support of this resolution from the Board of Land and Natural Resources and the University of Hawaii Community Colleges.

Your Committee finds that a greater emphasis on technology in educational institutions will help young people prepare for careers in the 21st century. Leeward Community College has been selected as the lead institution for development of an international science teacher training center. Furthermore, the former federally-owned Nike base at Peacock Flats above Mokuleia on Oahu is now public land owned by the State and has been selected by the IMPACT consortium as the best site for remote-operated telescopes for the international science teacher training center.

The telescope facilities will require only a small portion of the former base and will be operated by Leeward Community College for the residents of Hawaii and for the IMPACT programs to reform science education in America's K-12 schools. This program will become a part of a national and international network of science programs for educational reform.

Your Committee revised this resolution by:

1. Providing that Leeward Community College consult with members of the community; and
2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.R. No. 143, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1505                      Water and Land Use on H.C.R. No. 158**

The purpose of this resolution is to request the Board of Land and Natural Resources to allow a portion of the Nike base at Mokuleia to be used by Leeward Community College for the establishment of telescope facilities and for the development of an international science teacher training center to bring about necessary reforms in science education in America's schools.

Your Committee received testimony in support of this resolution from the Board of Land and Natural Resources and the University of Hawaii Community Colleges.

Your Committee finds that a greater emphasis on technology in educational institutions will help young people prepare for careers in the 21st century. Leeward Community College has been selected as the lead institution for development of an international science teacher training center. Furthermore, the former federally-owned Nike base at Peacock Flats above Mokuleia on Oahu is now public land owned by the State and has been selected by the IMPACT consortium as the best site for remote-operated telescopes for the international science teacher training center.

The telescope facilities will require only a small portion of the former base and will be operated by Leeward Community College for the residents of Hawaii and for the IMPACT programs to reform science education in America's K-12 schools. This program will become a part of a national and international network of science programs for educational reform.

Your Committee revised this resolution by:

1. Providing that Leeward Community College consult with members of the community; and

2. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 158, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1506                    Health on H.R. No. 96**

The purpose of this resolution is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to study and define the term "medical necessity".

The Department of Health, the Hawaii Medical Association, and the Hawaii Medical Service Association testified in support of the measure. The Hawaii Insurers Council commented on the measure.

Your Committee finds that the term "medical necessity" is of paramount importance to many health care decisions, yet has no universally accepted definition. To improve the quality of health care and to better control the cost of health care, your Committee finds that the term and the issues related to it require study and definition.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 1507                    Health on H.C.R. No. 106**

The purpose of this concurrent resolution is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to study and define the term "medical necessity".

The Department of Health, the Hawaii Medical Association, and the Hawaii Medical Service Association testified in support of the measure. The Hawaii Insurers Council commented on the measure.

Your Committee finds that the term "medical necessity" is of paramount importance to many health care decisions, yet has no universally accepted definition. To improve the quality of health care and to better control the cost of health care, your Committee finds that the term and the issues related to it require study and definition.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

**SCRep. 1508                    Judiciary and Hawaiian Affairs on S.B. No. 21**

The purpose of this bill, as received by your Committee, is to expand the scope of assault in the second degree to include persons hired by the Department of Education on a contractual basis and engaged in an education related function.

Testimony in support of this measure was submitted by the National Federation Interscholastic Officials Association and the Hawaii Football Officials Association. Additional comments were submitted by the Office of the Public Defender and Consumer Lawyers of Hawaii.

Your Committee finds that violence against athletic contest officials is a problem at athletic events. Your Committee finds that athletic contest officials hired by the Department of Education should be treated as educational officials for the purpose of the current law.

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

- (1) Clarifying that an individual hired by the Department of Education on a contractual basis for a school program, activity, or function that is established, sanctioned, or approved by the Department of Education is considered an educational worker;
- (2) Revising the savings clause to refer to penalties incurred; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1509                      Judiciary and Hawaiian Affairs on S.B. No. 1379**

The purpose of this bill is to create a new offense of assault against a police officer in the first degree. Under this measure any person who intentionally or knowingly causes bodily injury to a police officer who is engaged in the performance of duty would be guilty of a class C felony.

Testimony in support of this bill was received from the Department of the Prosecuting Attorney, City and County of Honolulu; the Department of the Prosecuting Attorney, County of Maui; the Department of Public Safety; the Police Department, County of Hawaii; the Police Department, City and County of Honolulu; and the State of Hawaii Organization of Police Officers. The Department of Land and Natural Resources supported the intent of this bill. Testimony in opposition to this bill was received from the Office of the Public Defender.

Your Committee finds that under current law it is a class C felony to assault correctional workers or educational workers who are engaged in the performance of their duties. Your Committee believes that similar protections should be afforded to police officers who on a daily basis are placed in highly volatile and physically dangerous situations.

Your Committee has amended this bill by:

- (1) For the offense of assault against a police officer in the first degree, deleting the term "bodily injury" and substituting the term "physical injury";
- (2) For the offense of assault against a police officer in the second degree, deleting the term "bodily injury" and substituting the term "physical pain";
- (3) Defining physical injury to mean any physical illness or substantial impairment of physical condition; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. 1379, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1510                      Judiciary and Hawaiian Affairs on S.B. No. 591**

The purpose of this bill is to require a court to find that a child's physical safety and psychological well-being will be protected, prior to ordering visitation regarding that child.

Testimony in support of this bill was received from Child & Family Service, Hawaii State Coalition Against Domestic Violence, and the Domestic Violence Clearinghouse.

Your Committee finds that evidence of domestic violence should be considered in the determination of child custody and/or visitation awards.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Yoshinaga and Thielen.

**SCRep. 1511                      Health on H.R. No. 52**

The purpose of this resolution is to urge members of the U.S. Congress to enact federal legislation that amends the Social Security Act to prohibit the federal government from receiving any share of the funds awarded in the Master Tobacco Settlement Agreement that was reached between the states and the tobacco industry.

The Hawaii Medical Association and Women In Government testified in support of the measure. The Department of Human Services testified in support of the intent of the measure.

Your Committee finds that the Health Care Financing Administration intends to recover the federal share of Medicaid-related expenditures associated with moneys recovered in the tobacco settlement because, under current law, tobacco settlement recoveries must be treated like any other Medicaid recoveries.

Your Committee further finds that the Social Security Act must be amended to resolve the recoupment issue so that the moneys from the settlement remain with the respective states.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1512                      Health on H.C.R. No. 62**

The purpose of this concurrent resolution is to urge members of the U.S. Congress to enact federal legislation that amends the Social Security Act to prohibit the federal government from receiving any share of the funds awarded in the Master Tobacco Settlement Agreement that was reached between the states and the tobacco industry.

The Hawaii Medical Association and Women In Government testified in support of the measure. The Department of Human Services testified in support of the intent of the measure.

Your Committee finds that the Health Care Financing Administration intends to recover the federal share of Medicaid-related expenditures associated with moneys recovered in the tobacco settlement because, under current law, tobacco settlement recoveries must be treated like any other Medicaid recoveries.

Your Committee further finds that the Social Security Act must be amended to resolve the recoupment issue so that the moneys from the settlement remain with the respective states.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1513                      Health on H.R. No. 117**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study to determine the costs for treatment of breast and cervical cancer in Hawaii.

The study is to include:

- (1) The costs of surgery, chemotherapy, and other treatment modalities;
- (2) The costs that are reimbursed by private health insurance and public medical assistance programs, and the costs of out-of-pocket deductibles or co-payments;
- (3) The availability of treatment for both cancers for uninsured women and how the costs of treatment are paid for, if provided; and
- (4) An estimate of the number of women in Hawaii who go undiagnosed or untreated, or both, for breast and cervical cancer.

The Office of Hawaiian Affairs, the Hawaii State Commission on the Status of Women, and the Department of Health testified in support of the measure.

Your Committee has amended this resolution by:

- (1) Including the Cancer Research Center of Hawaii in the study; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 117 as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 117, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1514                      Health on H.C.R. No. 130**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study to determine the costs for treatment of breast and cervical cancer in Hawaii.

The study is to include:

- (1) The costs of surgery, chemotherapy, and other treatment modalities;
- (2) The costs that are reimbursed by private health insurance and public medical assistance programs, and the costs of out-of-pocket deductibles or co-payments;
- (3) The availability of treatment for both cancers for uninsured women and how the costs of treatment are paid for, if provided; and
- (4) An estimate of the number of women in Hawaii who go undiagnosed or untreated, or both, for breast and cervical cancer.

The Office of Hawaiian Affairs, the Hawaii State Commission on the Status of Women, and the Department of Health testified in support of the measure.

Your Committee has amended this concurrent resolution by:

- (1) Including the Cancer Research Center of Hawaii in the study; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 130, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1515                    Public Safety and Military Affairs and Health on H.R. No. 68 .**

The purpose of this resolution is to request the convening of a task force to determine alternatives to incarceration and recommend systemic changes for the proper treatment of individuals needing mental health services.

T.J. Mahoney & Associates, United Self-Help, the Oahu Head Start Program, I Am Free Foundation, the Salvation Army Hilo/Kona Interim Homes, NAMI Oahu, the Hawaii Human Development Corp., the Community Alliance on Prisons, and members of the public testified in support of this measure. Hawaii Psychiatric Association testified in support of this measure with suggested amendments. The Department of Public Safety and the American Civil Liberties Union of Hawaii, testified in support of the intent of this measure with concerns. The Department of Health and Health Care for the Homeless Project submitted comments on this measure.

Your Committees find that the creation of a task force to address the mental health needs of offenders is a good step toward a long-term solution.

Your Committees have amended this resolution by expanding the membership of the task force to include representatives from:

- (1) The Chair of the Hawaii Paroling Authority;
- (2) NAMI Oahu;
- (3) The United Self-Help;
- (4) Health Care for the Homeless Project; and
- (5) Helping Hands Hawaii.

Your Committees would like to further encourage the Departments of Public Safety and Health to send a representative with the necessary medical knowledge, such as psychiatrists, psychologist, psychiatric nurses, or clinical social workers.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 68, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 68, H.D. 1.

Signed by all members of the Committees except Representatives Yamane, McDermott and Pendleton.

**SCRep. 1516                    Public Safety and Military Affairs and Health on H.C.R. No. 81**



The purpose of this concurrent resolution is to request the convening of a task force to determine alternatives to incarceration and recommend systemic changes for the proper treatment of individuals needing mental health services.

T.J. Mahoney & Associates, United Self-Help, the Oahu Head Start Program, I Am Free Foundation, the Salvation Army Hilo/Kona Interim Homes, NAMI Oahu, the Hawaii Human Development Corp., the Community Alliance on Prisons, and members of the public testified in support of this measure. Hawaii Psychiatric Association testified in support of this measure with suggested amendments. The Department of Public Safety and the American Civil Liberties Union of Hawaii, testified in support of the intent of this measure with concerns. The Department of Health and Health Care for the Homeless Project submitted comments on this measure.

Your Committees find that the creation of a task force to address the mental health needs of offenders is a good step toward a long-term solution.

Your Committees have amended this concurrent resolution by expanding the membership of the task force to include representatives from:

- (1) The Chair of the Hawaii Paroling Authority;
- (2) NAMI Oahu;
- (3) The United Self-Help;
- (4) Health Care for the Homeless Project; and
- (5) Helping Hands Hawaii.

Your Committees would like to further encourage the Departments of Public Safety and Health to send a representative with the necessary medical knowledge, such as psychiatrists, psychologist, psychiatric nurses, or clinical social workers.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 81, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 81, H.D. 1.

Signed by all members of the Committees except Representatives Yamane, McDermott and Pendleton.

**SCRep. 1517                      Public Safety and Military Affairs on H.C.R. No. 224**

The purpose of this resolution is to:

- (1) Assess the overall capabilities of State and County civil defense agencies to respond to terrorist incidents that employ weapons of mass destruction;
- (2) Determine the improvements needed in the State's overall response capabilities to reduce our vulnerability to such incidents;
- (3) Request that the Adjutant General undertake the preparation and submission of a summary report that describes current capabilities and provides a description of needed improvements prior to the Regular Session of 2000.

The Adjutant General provided testimony in support of this measure, identifying some potential gaps with regard to neighbor island preparedness. The Department of Health felt that the concerns expressed in this measure were being addressed by State Civil Defense.

Your Committee finds that although there is a significant level of coordination presently occurring, portions of the overall response capability are dependent on the receipt of requested Federal funds. In addition, overall response capability may be better determined as the result of a multi-agency response exercise presently scheduled for May 28, 1999.

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

- (1) Specifying that training and education activities be coordinated with University of Hawaii, School of Public Health;
- (2) Increasing the number of days allowed for the preparation and submittal of a summary report by extending the due date from sixty to twenty days prior to the Regular Session of 2000;
- (3) Adding the University of Hawaii School of Public Health to those to receive a certified copy of the resolution.

Your Committee finds that this measure, as amended, will provide the basis for any subsequent changes and improvements to the State's ability to respond to acts of terrorism from biological and chemical agents.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 224, H.D. 1.

Signed by all members of the Committee except Representative Chang.

**SCRep. 1518                    Health on H.R. No. 82**

The purpose of this resolution, as received, is to urge the Department of Health (DOH) to:

- (1)     Develop clinically sound protocols and management strategies to address latex allergies; and
- (2)     Educate health care workers and patients about latex allergies.

The Hawaii Medical Association, Kaiser Permanente, the Hawaii Nurses' Association (HNA), and Allegiance Healthcare Corporation testified in support of this measure. DOH submitted comments.

Your Committee understands that DOH does not have the resources to monitor the use of latex allergy products in the provision of healthcare in Hawaii. However, your Committee believes that a survey of healthcare facilities as to their policies, procedures, practices, and procurement in relation to latex products would be beneficial.

Your Committee has amended this measure by deleting its substance and replacing it with language to convene a working group to assess latex allergies in Hawaii. Specifically, this measure:

- (1)     Amends the title of this resolution to read: "URGING THE DEPARTMENT OF HEALTH, HAWAII NURSES' ASSOCIATION, THE HEALTHCARE ASSOCIATION OF HAWAII, AND THE HAWAII OCCUPATIONAL SAFETY AND HEALTH DIVISION TO CONVENE A WORKING GROUP TO ASSESS LATEX ALLERGIES IN HAWAII;"
- (2)     Requests the Working Group to develop and disseminate a survey to determine:
  - (A)     The extent to which latex gloves with high levels of allergen are being used in healthcare facilities;
  - (B)     The extent to which Hawaii's healthcare facilities have implemented a powder-free or low allergen level latex glove policy throughout its institutions;
  - (C)     The number of healthcare workers who have latex allergy signs and symptoms; and
  - (D)     The potential cost savings or cost increases of implementing a powder-free or low allergen level latex glove policy;
- (3)     Urges members of the Working Group to develop an educational program that can be systematically provided to all healthcare workers about latex allergies and the prevention of latex allergies;
- (4)     Requests DOH to submit a progress report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; and
- (5)     Provides for the transmittal of certified copies of this resolution to the Directors of Health and Labor and Industrial Relations, the Executive Director of HNA, and the President of HAH.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 82, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1519                    Health on H.C.R. No. 93**

The purpose of this concurrent resolution, as received, is to urge the Department of Health (DOH) to:

- (1)     Develop clinically sound protocols and management strategies to address latex allergies; and
- (2)     Educate health care workers and patients about latex allergies.

The Hawaii Medical Association, Kaiser Permanente, the Hawaii Nurses' Association (HNA), and Allegiance Healthcare Corporation testified in support of this measure. DOH submitted comments.

Your Committee understands that DOH does not have the resources to monitor the use of latex allergy products in the provision of healthcare in Hawaii. However, your Committee believes that a survey of healthcare facilities as to their policies, procedures, practices, and procurement in relation to latex products would be beneficial.

Your Committee has amended this measure by deleting its substance and replacing it with language to convene a working group to assess latex allergies in Hawaii. Specifically, this measure:

- (1) Amends the title of this concurrent resolution to read: "URGING THE DEPARTMENT OF HEALTH, HAWAII NURSES' ASSOCIATION, THE HEALTHCARE ASSOCIATION OF HAWAII, AND THE HAWAII OCCUPATIONAL SAFETY AND HEALTH DIVISION TO CONVENE A WORKING GROUP TO ASSESS LATEX ALLERGIES IN HAWAII;"
- (2) Requests the Working Group to develop and disseminate a survey to determine:
  - (A) The extent to which latex gloves with high levels of allergen are being used in healthcare facilities;
  - (B) The extent to which Hawaii's healthcare facilities have implemented a powder-free or low allergen level latex glove policy throughout its institutions;
  - (C) The number of healthcare workers who have latex allergy signs and symptoms; and
  - (D) The potential cost savings or cost increases of implementing a powder-free or low allergen level latex glove policy;
- (3) Urges members of the Working Group to develop an educational program that can be systematically provided to all healthcare workers about latex allergies and the prevention of latex allergies;
- (4) Requests DOH to submit a progress report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; and
- (5) Provides for the transmittal of certified copies of this concurrent resolution to the Directors of Health and Labor and Industrial Relations, the Executive Director of HNA, and the President of HAH.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 93, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1520                      Health on H.R. No. 145**

The purpose of this resolution is to request the Department of Health (DOH) to develop and implement a five-year statewide, comprehensive plan for services for individuals with developmental disabilities or mental retardation, including:

- (1) An assessment of the current system;
- (2) A vision for and a philosophy of the future of developmental disabilities services in Hawaii; and
- (3) Outcome-based measures that include outcome statements, target areas, performance targets, milestones, and strategies to address and implement these measures.

The State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, and the Office of Hawaiian Affairs testified in support of this resolution. The Hawaii Government Employees Association testified in support of this measure while suggesting that DOH employees and their exclusive representatives should be provided the opportunity to participate in developing the plan. The DOH submitted comments.

Your Committee has amended this measure by requesting the Director of Health to submit to the Legislature an annual report on the implementation to the plan no later than twenty days prior to the convening of the Regular Session of 2002, 2003, 2004, 2005, and 2006.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 145, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 145, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1521                      Health on H.C.R. No. 160**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to develop and implement a five-year statewide, comprehensive plan for services for individuals with developmental disabilities or mental retardation, including:

- (1) An assessment of the current system;
- (2) A vision for and a philosophy of the future of developmental disabilities services in Hawaii; and
- (3) Outcome-based measures that include outcome statements, target areas, performance targets, milestones, and strategies to address and implement these measures.

The State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, and the Office of Hawaiian Affairs testified in support of this concurrent resolution. The Hawaii Government Employees Association testified in support of this measure while suggesting that DOH employees and their exclusive representatives should be provided the opportunity to participate in developing the plan. The DOH submitted comments.

Your Committee has amended this measure by requesting that the Director of Health submit to the Legislature an annual report on the implementation of the plan no later than twenty days prior to the convening of the Regular Session of 2002, 2003, 2004, 2005, and 2006.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 160, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1522                      Health and Consumer Protection and Commerce on H.R. No. 147**

The purpose of this resolution is to provide incentives for nurses to obtain advanced degrees by requesting the Department of Health (DOH), with the assistance of the Hawaii Health Systems Corporation (Corporation) and the University of Hawaii School of Nursing, to develop a program enabling public sector nurses to obtain advanced nursing degrees.

The Hawaii Government Employees Association and the Hawaii Nurses' Association testified in support of this measure. DOH testified in support of the intent of this measure. The Corporation submitted comments.

Offering incentives for an advanced nursing degree would be beneficial not only to DOH, but also to other departments such as the Department of Public Safety (DPS) as DPS moves forward in developing an enhanced health program within its correctional facilities; or the Department of Human Services as nurse practitioners and clinical nurse specialists could assist in meeting the myriad of needs for intervention, support, and primary health care at every stage of the life cycle.

However, your Committees find that approximately six to seven years ago, DOH had a program that supported registered nurses in attaining advanced practice degrees, of which there were ten graduates. Because the State does not have job classifications for advanced practice registered nurses (APRN), all ten graduates left for the private sector for higher-paying jobs.

Your Committees believe that crucial to increasing the number of APRNs within the public sector is the State's ability to develop a job classification for these nurses. Without a job classification, APRNs in the system may not be utilized to the fullest extent possible.

Your Committees have amended this measure by:

- (1) Requesting the Department of Human Resources Development (DHRD) to develop job classifications for APRNs;
- (2) Changing the title to read: "REQUESTING THE DEPARTMENT OF HEALTH, WITH THE ASSISTANCE OF THE HAWAII HEALTH SYSTEMS CORPORATION AND THE UNIVERSITY OF HAWAII SCHOOL OF NURSING, TO DEVELOP A PROGRAM ENABLING NURSES EMPLOYED BY THE STATE OF HAWAII TO OBTAIN ADVANCED NURSING DEGREES, AND THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO DEVELOP JOB CLASSIFICATIONS FOR ADVANCED PRACTICE REGISTERED NURSES";
- (3) Explaining how graduates of the proposed program may be forced into the private sector because there are no job classification for APRNs;
- (4) Clarifying that APRNs will be able to provide nursing services they were educated to provide when APRN classifications are created;
- (5) Asking DHRD to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000;
- (6) Transmitting a certified copy of this resolution to the Director of Human Resources Development; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 147, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Chang, Menor, Stegmaier, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1523                      Health and Consumer Protection and Commerce on H.C.R. No. 162**

The purpose of this concurrent resolution is to provide incentives for nurses to obtain advanced degrees by requesting the Department of Health (DOH), with the assistance of the Hawaii Health Systems Corporation (Corporation) and the University of Hawaii School of Nursing, to develop a program enabling public sector nurses to obtain advanced nursing degrees.

The Hawaii Government Employees Association and the Hawaii Nurses' Association testified in support of this measure. DOH testified in support of the intent of this measure. The Corporation submitted comments.

Offering incentives for an advanced nursing degree would be beneficial not only to DOH, but also to other departments such as the Department of Public Safety (DPS) as DPS moves forward in developing an enhanced health program within its correctional facilities; or the Department of Human Services as nurse practitioners and clinical nurse specialists could assist in meeting the myriad of needs for intervention, support, and primary health care at every stage of the life cycle.

However, your Committees find that approximately six to seven years ago, DOH had a program that supported registered nurses in attaining advanced practice degrees, of which there were ten graduates. Because the State does not have job classifications for advanced practice registered nurses (APRN), all ten graduates left for the private sector for higher-paying jobs.

Your Committees believe that crucial to increasing the number of APRNs within the public sector is the State's ability to develop a job classification for these nurses. Without a job classification, APRNs in the system may not be utilized to the fullest extent possible.

Your Committees have amended this measure by:

- (1) Requesting the Department of Human Resources Development (DHRD) to develop job classifications for APRNs;
- (2) Changing the title to read: "REQUESTING THE DEPARTMENT OF HEALTH, WITH THE ASSISTANCE OF THE HAWAII HEALTH SYSTEMS CORPORATION AND THE UNIVERSITY OF HAWAII SCHOOL OF NURSING, TO DEVELOP A PROGRAM ENABLING NURSES EMPLOYED BY THE STATE OF HAWAII TO OBTAIN ADVANCED NURSING DEGREES, AND THE DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT TO DEVELOP JOB CLASSIFICATIONS FOR ADVANCED PRACTICE REGISTERED NURSES";
- (3) Explaining how graduates of the proposed program may be forced into the private sector because there are no job classification for APRNs;
- (4) Clarifying that APRNs will be able to provide nursing services they were educated to provide when APRN classifications are created;
- (5) Asking DHRD to submit its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000;
- (6) Transmitting a certified copy of this concurrent resolution to the Director of Human Resources Development; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection and Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 162, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 162, H.D. 1.

Signed by all members of the Committees except Representatives Cachola, Chang, Menor, Stegmaier, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1524                      Agriculture on H.R. No. 58**

The purpose of this resolution is to request the Department of Agriculture, in cooperation with federal and state agencies and private organizations, to implement a fruit fly free zone to determine if this is an effective way to address quarantine barriers to marketing of Hawaii's crops outside the State.

The Department of Agriculture supports this resolution and the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa supports the need of the State to address the quarantine barrier to exporting of Hawaii's fruit crops.

Your Committee finds that four fruit fly species have caused serious damage to fruit and vegetable crops and to the state's economy due to quarantine barriers to marketing of Hawaii's crops nationally and internationally.

There are currently three primary ways of addressing the quarantine barrier issue:

- (1) Eradication: destroy all four fruit fly species on all islands;
- (2) Post-harvest treatments: disinfest fruits of fruit fly eggs and larvae; or
- (3) Fruit fly free zone: create areas or district zones in Hawaii kept free of fruit flies.

The eradication method is extremely expensive, with an estimated cost of \$1.0 billion to eradicate all four species of fruit flies on all islands. Researchers from the United States Department of Agriculture and University of Hawaii and private organizations have been developing research on post-harvest commodity treatment measures and the research is ongoing.

Your Committee further finds that the fruit fly free zone method has not yet been fully implemented. This resolution requests the Department of Agriculture to implement a fruit fly free zone to determine whether or not this is an effective way to address quarantine barriers.

Your Committee has amended this resolution by adding Puna, Hawaii, as the location for the Department of Agriculture's fruit fly free zone pilot project.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 58, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 58, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1525                      Agriculture on H.C.R. No. 69**

The purpose of this concurrent resolution is to request the Department of Agriculture, in cooperation with federal and state agencies and private organizations, to implement a fruit fly free zone to determine if this is an effective way to address quarantine barriers to marketing of Hawaii's crops outside the State.

The Department of Agriculture supports this resolution and the College of Tropical Agriculture and Human Resources, University of Hawaii at Manoa supports the need of the State to address the quarantine barrier to exporting of Hawaii's fruit crops.

Your Committee finds that four fruit fly species have caused serious damage to fruit and vegetable crops and to the state's economy due to quarantine barriers to marketing of Hawaii's crops nationally and internationally.

There are currently three primary ways of addressing the quarantine barrier issue:

- (1) Eradication: destroy all four fruit fly species on all islands;
- (2) Post-harvest treatments: disinfest fruits of fruit fly eggs and larvae; or
- (3) Fruit fly free zone: create areas or district zones in Hawaii kept free of fruit flies.

The eradication method is extremely expensive, with an estimated cost of \$1.0 billion to eradicate all four species of fruit flies on all islands. Researchers from the United States Department of Agriculture and University of Hawaii and private organizations have been developing research on post-harvest commodity treatment measures and the research is ongoing.

Your Committee further finds that the fruit fly free zone method has not yet been fully implemented. This concurrent resolution requests the Department of Agriculture to implement a fruit fly free zone to determine whether or not this is an effective way to address quarantine barriers.

Your Committee has amended this concurrent resolution by adding Puna, Hawaii, as the location for the Department of Agriculture's fruit fly free zone pilot project.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 69, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1526                      Agriculture on H.R. No. 169**

The purpose of this resolution is to request the various state departments to develop and implement programs and services to assist displaced employees of Pioneer Mill to obtain other employment opportunities.

Your Committee finds that Pioneer Mill has had a long history in sugar cultivation which dates back to 1895 and that it has approximately 5,000 acres of land under sugar cultivation, 500 acres planted in coffee and 2,000 acres for future diversification. The Pioneer Mill has announced that it will close its sugar operations at the end of 1999 due to continuous financial losses. The closure of Pioneer Mill will directly affect about 76 employees.

Testimony in support of this resolution was received from Rep. Sol P. Kaho'ohalahala, the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Superintendent of Education, the Board of Land and Natural Resources, the Department of Labor and Industrial Relations, the Rural Economic Transition Assistance-Hawaii, the Mayor of the County of Maui, the Maui County Council, and the ILWU Local 142.

Your Committee has amended this resolution by adding the Rural Economic Transition Assistance-Hawaii (RETA-H) to its title and requesting that RETA-H also be included along with the various state departments to develop and implement programs and services to assist displaced employees of Pioneer Mill seek alternative employment.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 169, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.R. No. 169, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Whalen.

**SCRep. 1527                      Agriculture on H.C.R. No. 186**

The purpose of this concurrent resolution is to request the various state departments to develop and implement programs and services to assist displaced employees of Pioneer Mill to obtain other employment opportunities.

Your Committee finds that Pioneer Mill has had a long history in sugar cultivation which dates back to 1895 and that it has approximately 5,000 acres of land under sugar cultivation, 500 acres planted in coffee and 2,000 acres for future diversification. The Pioneer Mill has announced that it will close its sugar operations at the end of 1999 due to continuous financial losses. The closure of Pioneer Mill will directly affect about 76 employees.

Testimony in support of this concurrent resolution was received from Rep. Sol P. Kaho'ohalahala, the Department of Business, Economic Development, and Tourism, the Department of Agriculture, the Superintendent of Education, the Board of Land and Natural Resources, the Department of Labor and Industrial Relations, the Rural Economic Transition Assistance-Hawaii, the Mayor of the County of Maui, the Maui County Council, and the ILWU Local 142.

Your Committee has amended this concurrent resolution by adding the Rural Economic Transition Assistance-Hawaii (RETA-H) to its title and requesting that RETA-H also be included along with the various state departments to develop and implement programs and services to assist displaced employees of Pioneer Mill seek alternative employment.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.C.R. No. 186, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Ito and Whalen.

**SCRep. 1528                      Consumer Protection and Commerce on H.R. No. 12**

The purpose of this concurrent resolution is to urge the Attorney General to:

- (1) Vigorously pursue the civil suit filed in federal district court, that alleges antitrust violations and unfair trade practices by thirteen corporations who are refiners and gasoline wholesalers in Hawaii; and
- (2) From time to time, report to the Legislature on the progress of the litigation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 12, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1529                      Consumer Protection and Commerce on H.C.R. No. 9**

The purpose of this concurrent resolution is to urge the Attorney General to:

- (1) Vigorously pursue the civil suit filed in federal district court, that alleges antitrust violations and unfair trade practices by thirteen corporations who are refiners and gasoline wholesalers in Hawaii; and

- (2) From time to time, report to the Legislature on the progress of the litigation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 9, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Hiraki, Takumi, Yoshinaga, Halford and Thielen.

**SCRep. 1530 Consumer Protection and Commerce on S.B. No. 776**

The purpose of this bill is to permit securities listed on the Nasdaq National Market to be added to the list of securities investments in which a depository financial services loan company is permitted to invest up to twenty-five percent of its total reserves.

The National Association of Securities Dealers submitted testimony supporting passage of the bill. The Hawaii Financial Services Association submitted testimony in support of the intent of the bill. The Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs did not oppose this measure.

Your Committee has amended the bill to replace its contents with that of H.B. No. 664, H.D. 1, which made some technical corrections not reflected in the Senate version of this measure. H.B. No. 664, H.D. 1, was passed out earlier this session by your Committee. Your Committee has further amended the bill to correct the reference to the Nasdaq National Market.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 776, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1531 Consumer Protection and Commerce on S.B. No. 1134**

The purpose of this bill is to mandate consumer mortgage counseling similar to federal guidelines, prior to a lender's acceptance of a reverse mortgage loan application. This counseling is intended to ensure that borrowers can make informed decisions on reverse mortgage financing.

The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified generally in support of the bill, but indicated a preference for the amendments reflected in H.B. No. 1072, H.D. 1, which incorporated the latest revisions agreed upon by the interested parties. The State of Hawaii Executive Office on Aging and the Hawaii Association of Realtors testified in support of the bill.

For purposes of further discussion, your Committee has amended this bill by replacing its contents with that of the House companion bill, H.B. No. 1072, H.D. 1, which was passed out earlier this session by your Committee and which contains substantive differences from the Senate version.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1134, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1134, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1532 Consumer Protection and Commerce on S.B. No. 1262**

The purpose of this bill is to expand the definition of "captive insurance company" (CIC) to:

- (1) Establish five classes of CICs, subject to specified minimum capital or surplus requirements that may be increased by the Insurance Commissioner as necessary to preserve solvency;
- (2) Limit the first two classes to pure CICs and the third class to companies formed as association and risk retention CICs;
- (3) Designate class 4 CICs as leased capital facilities that, as newly authorized under this proposed law, are allowed to be owned by persons or entities that are not members of the CIC;
- (4) Designate class 5 CICs as reinsurance companies that are formed for the primary purpose of reinsuring liability, property, or life and health businesses, and that are not class 1 through 4 CICs;
- (5) Exempt class 3 to 5 CICs from any National Association of Insurance Commissioners (NAIC) risk-based capital reports filing requirement; and



- (6) Subject class 4 and 5 CICs to the same one percent tax imposed on the gross premiums of association CICs and risk retention CICs, where no premium tax is otherwise paid to this State on those amounts.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs testified in support of the provisions for classes 1 to 4 CICs, but recommended deleting all provisions affecting class 5 CICs. Hawaii Insurers Council testified in opposition only to those portions of the bill creating the class 5 CICs.

Testimony in general support of this measure was presented by J&H Marsh & McLennan Management, Inc. and by the Hawaii Captive Insurance Council (HCIC). HCIC also testified that it would be willing to work further with the Insurance Commissioner on areas of concern, and therefore would not object to deleting provisions creating the class 5 companies in this bill.

Your Committee recognizes that there are various issues that require further refinement and discussion by the interested parties, and therefore your Committee has amended this bill to replace its contents with that of the House companion bill, H.B. No. 1623, H.D. 1, which was passed out earlier this session by your Committee, and your Committee has made further substantive amendments to delete all references to the class 5 CICs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1533 Education on H.R. No. 137**

The purpose of this resolution is to request the Board of Education (BOE) to provide guidance to schools in recovering funds for lost textbooks.

The Department of Education (DOE) testified in support of the intent of this resolution.

Your Committee finds that DOE is losing about \$500,000 annually because students do not reimburse the schools for textbooks that they have not returned. The kinds of consequences that schools may give these students are limited because a school may not impede a student's right to education. Yet schools are not totally powerless because they can take certain types of actions. Complex legal issues are involved here, and most schools do not have the legal expertise to determine the options that are available to them and those that are not. As such, BOE should provide leadership in this area and provide guidance to individual schools.

Relatedly, students also incur other financial obligations relating to school activities that are not part of core educational functions. Schools also need assistance in determining what they can do to encourage students to fulfill these financial obligations.

Your Committee has amended the resolution by:

- (1) Adding a statement that students incur financial obligations other than those for lost textbooks, and that many of these obligations have not been met;
- (2) Adding that BOE report on providing guidance to schools in recovering funds for these other kinds of financial obligations;
- (3) Revising the title to conform to revisions made in the body; and
- (4) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 137, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1534 Education on H.C.R. No. 152**

The purpose of this concurrent resolution is to request the Board of Education (BOE) to provide guidance to schools in recovering funds for lost textbooks.

The Department of Education (DOE) testified in support of the intent of this resolution.

Your Committee finds that DOE is losing about \$500,000 annually because students do not reimburse the schools for textbooks that they have not returned. The kinds of consequences that schools may give these students are limited because a school may not impede a student's right to education. Yet schools are not totally powerless because they can take certain types of actions. Complex legal issues are involved here, and most schools do not have the legal expertise to determine the options that are available to them and those that are not. As such, BOE should provide leadership in this area and provide guidance to individual schools.

Relatedly, students also incur other financial obligations relating to school activities that are not part of core educational functions. Schools also need assistance in determining what they can do to encourage students to fulfill these financial obligations.

Your Committee has amended the concurrent resolution by:

- (1) Adding a statement that students incur financial obligations other than those for lost textbooks, and that many of these obligations have not been met;
- (2) Adding that BOE report on providing guidance to schools in recovering funds for these other kinds of financial obligations;
- (3) Revising the title to conform to revisions made in the body; and
- (4) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 152, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 152, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1535                      Education on H.R. No. 138**

The purpose of this resolution is to request the "Learn To Swim" Coalition to study:

- (1) The level of access to and affordability of swimming and water safety instruction among Hawaii's children and youth;
- (2) If there are enough existing resources in the State to implement a statewide learn-to-swim program; and
- (3) What funding would be needed from the State to pay for a statewide learn-to-swim program, including swim and water safety instructors, coordination, and transportation.

The Department of Education and the YMCA of Honolulu testified in support of the measure.

The Department of Health (DOH) and the Keiki Injury Prevention Coalition (KIPC) testified in support of the intent of the measure. DOH and KIPC also testified in favor of an amendment requesting the Learn To Swim Coalition to study the swimming proficiency and water safety skills among children participating in various summer swim programs.

Your Committee finds that water sports and activities are major recreational pastimes of our residents, and it makes good sense to teach people of all ages how to swim, especially children. Your Committee further finds that conducting a study will help to determine the swimming proficiency of Hawaii's children and youth in order to quantify the need for a learn-to-swim program.

Your Committee has amended this resolution by:

- (1) Deleting the request that the Learn To Swim Coalition study the level of access to and affordability of swimming and water safety instruction among Hawaii's children and youth;
- (2) Requesting that the Learn To Swim Coalition study the swimming proficiency and water safety skills among children participating in various summer swim programs;
- (3) Amending the title to read "REQUESTING THE LEARN TO SWIM COALITION TO STUDY THE SWIMMING PROFICIENCY AND WATER SAFETY SKILLS AMONG CHILDREN PARTICIPATING IN VARIOUS SUMMER SWIM PROGRAMS"; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 138, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 138, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1536                      Education on H.C.R. No. 153**

The purpose of this concurrent resolution is to request the "Learn To Swim" Coalition to study:

- (1) The level of access to and affordability of swimming and water safety instruction among Hawaii's children and youth;

- (2) If there are enough existing resources in the State to implement a statewide learn-to-swim program; and
- (3) What funding would be needed from the State to pay for a statewide learn-to-swim program, including swim and water safety instructors, coordination, and transportation.

The Department of Education and the YMCA of Honolulu testified in support of the measure.

The Department of Health (DOH) and the Keiki Injury Prevention Coalition (KIPC) testified in support of the intent of the measure. DOH and KIPC also testified in favor of an amendment requesting the Learn To Swim Coalition to study the swimming proficiency and water safety skills among children participating in various summer swim programs.

Your Committee finds that water sports and activities are major recreational pastimes of our residents, and it makes good sense to teach people of all ages how to swim, especially children. Your Committee further finds that conducting a study will help to determine the swimming proficiency of Hawaii's children and youth in order to quantify the need for a learn-to-swim program.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the request that the Learn To Swim Coalition study the level of access to and affordability of swimming and water safety instruction among Hawaii's children and youth;
- (2) Requesting that the Learn To Swim Coalition study the swimming proficiency and water safety skills among children participating in various summer swim programs;
- (3) Amending the title to read "REQUESTING THE LEARN TO SWIM COALITION TO STUDY THE SWIMMING PROFICIENCY AND WATER SAFETY SKILLS AMONG CHILDREN PARTICIPATING IN VARIOUS SUMMER SWIM PROGRAMS"; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 153, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1537                      Education on H.R. No. 179**

The purpose of this resolution is to request Hawaii's Congressional Delegation to obtain increased federal funding for federally-mandated special education.

Testimony in support of this resolution was submitted by the Department of Education and the State Planning Council on Developmental Disabilities.

Your Committee agrees with the U.S. Congress and supports the fundamental democratic principle that all children, including those with disabilities, have a right to free and appropriate public education. In recent years funding for special education for disabled children has increased dramatically. The federal government and state governments should proceed in partnership to ensure sufficient funding so that appropriate services are provided to this population.

Your Committee has amended the resolution by:

- (1) Citing the large increase in the costs of special education in Hawaii in recent years;
- (2) Citing the relatively small increase in federal funding for special education during that same period; and
- (3) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 179, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1538                      Education on H.C.R. No. 195**

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to obtain increased federal funding for federally-mandated special education.

Testimony in support of this concurrent resolution was submitted by the Department of Education and the State Planning Council on Developmental Disabilities.

Your Committee agrees with the U.S. Congress and supports the fundamental democratic principle that all children, including those with disabilities, have a right to free and appropriate public education. In recent years funding for special education for disabled children has increased dramatically. The federal government and state governments should proceed in partnership to ensure sufficient funding so that appropriate services are provided to this population.

Your Committee has amended the concurrent resolution by:

- (1) Citing the large increase in the costs of special education in Hawaii in recent years;
- (2) Citing the relatively small increase in federal funding for special education during that same period; and
- (3) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 195, H.D. 1.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1539                      Energy and Environmental Protection and Agriculture on H.R. No. 110**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to examine the feasibility of growing industrial hemp in Hawaii for biomass energy production.

The Ohio Hempery, Inc., Hawaii's Thousand Friends, and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, testified in support of this measure. The Department of Agriculture and DBEDT testified in support of the intent of this measure. An individual commented on this measure.

Your Committees recognize the potential of industrial hemp as a substantial resource for energy production and believe that requesting a study on the feasibility for growing this crop for biomass energy production would be useful in data-gathering and in further legislative deliberations on this matter.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 110 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Ito, Morihara and Halford.

**SCRep. 1540                      Energy and Environmental Protection and Agriculture on H.C.R. No. 123**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to examine the feasibility of growing industrial hemp in Hawaii for biomass energy production.

The Ohio Hempery, Inc., Hawaii's Thousand Friends, and Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, testified in support of this measure. The Department of Agriculture and DBEDT testified in support of the intent of this measure. An individual commented on this measure.

Your Committees recognize the potential of industrial hemp as a substantial resource for energy production and believe that requesting a study on the feasibility for growing this crop for biomass energy production would be useful in data-gathering and in further legislative deliberations on this matter.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Agriculture that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 123 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Ito, Morihara and Halford.

**SCRep. 1541                      Human Services and Housing on H.C.R. No. 203**

The purpose of this concurrent resolution is to urge the federal government to support the efforts of Hawaii's Congressional Delegation to amend the Social Security Act provisions regarding administrative fees to process state supplements.

The Department of Human Services testified in support of this measure.

Your Committee finds that the State should not be required to pay more for the administration of a service than the benefits provided. Accordingly, your Committee endorses the efforts of Hawaii's Congressional Delegation to amend the Social Security Act to end this disparity. In further support of these efforts, your Committee intends to contact the National Conference of State Legislatures and the National Governors' Association to gather information from other states regarding this issue and to request additional support for appropriate federal legislation.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 203 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1542 Human Services and Housing on H.C.R. No. 219**

The purpose of this concurrent resolution is to increase federal funding for Hawaii's Medicaid Program by encouraging support for federal legislation to increase Hawaii's Federal Medical Assistance Percentage (FMAP).

The federal government's participation in the Medicaid Program is based on the FMAP which is calculated according to a formula based on per capita income in the individual state. From Hawaii's perspective, per capita income is a poor measure of our ability to bear the cost of Medicaid services because of our high cost of living.

Alaska also shared similar concerns due to its own high cost of living. Fortunately, Alaska received an increase in its FMAP through an amendment to the Social Security Act which raised its FMAP from 50 percent to 59.8 percent.

Testimony in support of this measure was submitted by the Department of Human Services, the State Planning Council on Developmental Disabilities, the Healthcare Association of Hawaii, and an individual. Following decision-making, your Committee also received supporting testimony from the Department of Accounting and General Services.

Your Committee intends to contact the National Conference of State Legislatures and the National Governors' Association to obtain more information on this issue regarding other states and to request for support of the federal legislation.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1543 Human Services and Housing on H.C.R. No. 232**

The purpose of this concurrent resolution is to ensure that Hawaii's children receive immediate and appropriate emergency care by requesting the Department of Human Services (DHS) to adopt infant and child cardiopulmonary resuscitation (CPR) in their administrative rules governing licensure and registration of child care providers.

The American Heart Association and the American Red Cross testified in support of this measure. DHS testified in support of the intent of this measure.

Children do get hurt, even in safe environments. The extent of injury can be minimized and death may be avoided by the timely actions of a trained caregiver. When prompt resuscitation is provided, the survival rate for children suffering respiratory arrest exceeds 50 percent and most patients survive neurologically intact.

Your Committee has amended this measure by urging DHS to:

- (1) Fashion its administrative rules after the American Red Cross' recommendations;
- (2) Set a ratio that requires a sufficient number of persons who are trained and certified in CPR and first aid to be on the premises of a child care facility in relation to the numbers of children; and
- (3) Submit its amended administrative rules to the Legislature no later than 20 days prior to the convening of DHS's first scheduled public hearing.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 232, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1544 Human Services and Housing on H.C.R. No. 246**

The purpose of this concurrent resolution, as received, is to request the convening of a Hunger and Food Security Task Force to develop a system for providing valid and reliable estimates of hunger and food insecurity.

The Department of Human Services testified in support of the intent of this measure.

Your Committee finds that this measure is duplicative of H.C.R. No. 126, which was heard earlier by your Committees on Human Services and Housing and Labor, and would, therefore, like to use this measure to address another pressing issue.

Your Committee finds that more than 30,000 Hawaii households now have affordable rent through the United States Department of Housing and Urban Development (HUD) project-based Section 8 program. In this program, HUD directly subsidizes buildings which are owned by private entities. Originally subsidized for a term of twenty years, every unit in these buildings are now at risk of converting to market rate rent due to HUD's yearly contract renewals, shrinking subsidies, and the Mark to Market program.

Since the twenty-year commitment has expired, more and more owners are putting their units up for sale or converting them to market rate rent. This action is displacing many elderly and low-income individuals into homelessness. Your Committee believes that one way to resolve this problem is to provide more low-income rental housing through HUD. As such, your Committee has amended this measure by deleting its substance and replacing it with language that:

- (1) Amends the title to read: "URGING THE UNITED STATES CONGRESS AND THE PRESIDENT OF THE UNITED STATES TO RENEW, OR EXAMINE OTHER OPPORTUNITIES TO PROVIDE, LOW-INCOME RENTAL HOUSING THROUGH THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT";
- (2) Urges the Housing and Community Development Corporation of Hawaii (Corporation) to examine the extent of this problem in Hawaii;
- (3) Requests the Corporation to submit its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; and
- (4) Provides for the transmittal of this concurrent resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Executive Director of the Corporation.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 246, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 246, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1545 Human Services and Housing on H.R. No. 176**

The purpose of this resolution is to offer an innovative and effective alternative to traditional foster care by requesting the Department of Human Services (DHS) to implement and utilize the Children's Village concept for out-of-home placement, when appropriate.

DHS testified in opposition to this measure stating that it is premature for DHS to commit to the implementation of the Children's Village model. According to DHS, there has been no study to determine the feasibility of bringing this model of long-term foster care to Hawaii. Additionally, unlike Florida, no one has stepped forward to donate the land for such a village, to pay for its construction, or to ensure the non-public funding for a significant portion of the estimated \$30,000 per year per child cost for village operation.

Cognizant of DHS's concerns, your Committee has amended this measure by:

- (1) Requesting DHS to consider utilizing, instead of implementing, the Children's Village concept for out-of-home placement, when appropriate;
- (2) Changing the title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONSIDER UTILIZING THE CHILDREN'S VILLAGE CONCEPT FOR OUT-OF-HOME PLACEMENT WHEN APPROPRIATE";
- (3) Urging DHS to assess the Children's Village concept and determine the feasibility of bringing this model to Hawaii;
- (4) Urging the Department of Hawaiian Home Lands (DHHL) and the Housing and Community Development Corporation (Corporation) to assess the Children's Village concept, in particular the housing component, and determine the feasibility of bringing this model to Hawaii given Hawaii's housing environment;
- (5) Requesting DHS to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; and
- (6) Requesting DHHL and the Corporation to submit one report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000;

- (7) Providing that certified copies of this resolution be transmitted to the Director of DHHL and the Executive Director of the Corporation; and
- (8) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 176, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1546 Human Services and Housing on H.C.R. No. 192**

The purpose of this concurrent resolution is to offer an innovative and effective alternative to traditional foster care by requesting the Department of Human Services (DHS) to implement and utilize the Children's Village concept for out-of-home placement, when appropriate.

DHS testified in opposition to this measure stating that it is premature for DHS to commit to the implementation of the Children's Village model. According to DHS, there has been no study to determine the feasibility of bringing this model of long-term foster care to Hawaii. Additionally, unlike Florida, no one has stepped forward to donate the land for such a village, to pay for its construction, or to ensure the non-public funding for a significant portion of the estimated \$30,000 per year per child cost for village operation.

Cognizant of DHS's concerns, your Committee has amended this measure by:

- (1) Requesting DHS to consider utilizing, instead of implementing, the Children's Village concept for out-of-home placement, when appropriate;
- (2) Changing the title to read: "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONSIDER UTILIZING THE CHILDREN'S VILLAGE CONCEPT FOR OUT-OF-HOME PLACEMENT WHEN APPROPRIATE";
- (3) Urging DHS to assess the Children's Village concept and determine the feasibility of bringing this model to Hawaii;
- (4) Urging the Department of Hawaiian Home Lands (DHHL) and the Housing and Community Development Corporation (Corporation) to assess the Children's Village concept, in particular the housing component, and determine the feasibility of bringing this model to Hawaii given Hawaii's housing environment;
- (5) Requesting DHS to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000; and
- (6) Requesting DHHL and the Corporation to submit one report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000;
- (7) Providing that certified copies of this concurrent resolution be transmitted to the Director of DHHL and the Executive Director of the Corporation; and
- (8) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 192, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 192, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1547 Water and Land Use on H.R. No. 161**

The purpose of this resolution is to declare legislative support for the development of the Ka'apuni O' Hawai'i Trail.

Your Committee received testimony in support of this resolution from the Board of Land and Natural Resources, Peoples Advocacy for Trails Hawaii, and Kona Coast Cycling Tours.

Your Committee finds that development of the Ka'apuni O' Hawai'i Trail will allow for greater recreational activities for Big Island residents, and promote nature-based tourism, one of the fastest growing niche markets in the visitor industry. The existing section of the trail already experiences heavy use.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 161, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1548                    Water and Land Use on H.C.R. No. 176**

The purpose of this resolution is to declare legislative support for the development of the Ka'apuni O' Hawai'i Trail.

Your Committee received testimony in support of this resolution from the Board of Land and Natural Resources, Peoples Advocacy for Trails Hawaii, and Kona Coast Cycling Tours.

Your Committee finds that development of the Ka'apuni O' Hawai'i Trail will allow for greater recreational activities for Big Island residents, and promote nature-based tourism, one of the fastest growing niche markets in the visitor industry. The existing section of the trail already experiences heavy use.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1549                    Water and Land Use on H.R. No. 188**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study to consider the development of Kukaniloko Birthstones as a cultural tourism site.

Your Committee received testimony in support of this resolution from the Wahiawa Community and Business Association, and comments from the Board of Land and Natural Resources, Life of the Land, Friends of Kukaniloko.

Your Committee finds that the birthstones at Kukaniloko are the only remains of a much larger complex that served as the birthplace for ali'i since the 12th Century. Improvements to the current location will allow for better access by visitors and students and enable the curators of the Kukaniloko site to share their cultural treasure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 188, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1550                    Water and Land Use on H.C.R. No. 207**

The purpose of this resolution is to request the Department of Land and Natural Resources to conduct a feasibility study to consider the development of Kukaniloko Birthstones as a cultural tourism site.

Your Committee received testimony in support of this resolution from the Wahiawa Community and Business Association, and comments from the Board of Land and Natural Resources, Life of the Land, Friends of Kukaniloko.

Your Committee finds that the birthstones at Kukaniloko are the only remains of a much larger complex that served as the birthplace for ali'i since the 12th Century. Improvements to the current location will allow for better access by visitors and students and enable the curators of the Kukaniloko site to share their cultural treasure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1551                    Water and Land Use on H.R. No. 126**

The purpose of this resolution is to encourage the restoration of Moku'ula and Loko O Mokuhinia.

Your Committee received testimony in support of this resolution from one state representative.

Your Committee finds that Moku'ula and Loko O Mokuhinia served as the home and retreat for many alii up to the time of Kamehameha V, and many significant figures in Hawaii history were laid to rest at Moku'ula. The site currently includes a park, and a restoration project can proceed with minimal disruption.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Morita.



**SCRep. 1552            Water and Land Use on H.C.R. No. 136**

The purpose of this resolution is to encourage the restoration of Moku'ula and Loko O Mokuhinia.

Your Committee received testimony in support of this resolution from one state representative.

Your Committee finds that Moku'ula and Loko O Mokuhinia served as the home and retreat for many alii up to the time of Kamehameha V, and many significant figures in Hawaii history were laid to rest at Moku'ula. The site currently includes a park, and a restoration project can proceed with minimal disruption.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 136, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia and Morita.

**SCRep. 1553            Tourism on H.R. No. 183**

The purpose of this resolution is to extend Hawaii's aloha to visitors arriving at the airport by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to study the cost of presenting leis to first-time visitors to Hawaii who are not otherwise met by greeters.

The Aloha Preservation Association and two individuals testified in support of this measure. DBEDT commented on this measure and indicated that it is already working with the Department of Transportation and the Hawaii Tourism Authority to explore ways to improve the visitors' experience at Hawaii's state airports.

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

- (1) Changing its title to read: "REQUESTING A STUDY ON THE COST OF GREETING AIRPORT VISITORS WITH LEIS AND MUSIC";
- (2) Requesting DBEDT to include in the study, the cost of providing Hawaiian music for visitors to Hawaii;
- (3) Requesting that a copy of this resolution be transmitted to the President of the Hawaii Hotel Association; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 183, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1554            Tourism on H.C.R. No. 200**

The purpose of this concurrent resolution is to extend Hawaii's aloha to visitors arriving at the airport by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to study the cost of presenting leis to first-time visitors to Hawaii who are not otherwise met by greeters.

The Aloha Preservation Association and two individuals testified in support of this measure. DBEDT commented on this measure and indicated that it is already working with the Department of Transportation and the Hawaii Tourism Authority to explore ways to improve the visitors' experience at Hawaii's state airports.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING A STUDY ON THE COST OF GREETING AIRPORT VISITORS WITH LEIS AND MUSIC";
- (2) Requesting DBEDT to include in the study, the cost of providing Hawaiian music for visitors to Hawaii;
- (3) Requesting that a copy of this concurrent resolution be transmitted to the President of the Hawaii Hotel Association; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1555 Higher Education on H.R. No. 205**

The purpose of this resolution is to request the University of Hawaii to increase its efforts to recruit students from the Asian Pacific countries to matriculate at the John A. Burns School of Medicine.

The University of Hawaii's School of Medicine submitted comments on the measure.

Your Committee also finds that the income generated from the out-of-state students helps offset the cost of operating the medical school.

Your Committee has amended this resolution by:

- (1) Including the statement that an increase in students and an increase in medical research funds would create economic benefits for the School of Medicine;
- (2) Requesting that the University of Hawaii also increase its efforts to secure research funds for the John A. Burns School of Medicine; and
- (3) Changing its title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO INCREASE EFFORTS TO RECRUIT STUDENTS FROM ASIAN PACIFIC COUNTRIES TO STUDY MEDICINE AT THE JOHN A. BURNS SCHOOL OF MEDICINE AND TO SECURE RESEARCH FUNDS FOR THE JOHN A. BURNS SCHOOL OF MEDICINE.".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 205, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 205, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1556 Higher Education on H.C.R. No. 236**

The purpose of this resolution is to request the University of Hawaii to increase its efforts to recruit students from the Asian Pacific countries to matriculate at the John A. Burns School of Medicine.

The University of Hawaii's School of Medicine submitted comments on the measure.

Your Committee also finds that the income generated from the out-of-state students helps offset the cost of operating the medical school.

Your Committee has amended this resolution by:

- (1) Including the statement that an increase in students and an increase in medical research funds would create economic benefits for the School of Medicine;
- (2) Requesting that the University of Hawaii also increase its efforts to secure research funds for the John A. Burns School of Medicine; and
- (3) Changing its title to read: "REQUESTING THE UNIVERSITY OF HAWAII TO INCREASE EFFORTS TO RECRUIT STUDENTS FROM ASIAN PACIFIC COUNTRIES TO STUDY MEDICINE AT THE JOHN A. BURNS SCHOOL OF MEDICINE AND TO SECURE RESEARCH FUNDS FOR THE JOHN A. BURNS SCHOOL OF MEDICINE.".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 236, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 236, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Okamura, Santiago and Stegmaier.

**SCRep. 1557 Human Services and Housing and Public Safety and Military Affairs on H.C.R. No. 63**

The purpose of this concurrent resolution, as received, is to:

- (1) Establish a Task Force to develop a master plan for the Office of Youth Services (OYS); and
- (2) Request the Legislative Auditor to conduct a management and program audit of the operations of OYS.

OYS and the Juvenile Justice Statewide Advisory Council testified in opposition to this measure. The Judiciary and the University of Hawaii at Manoa School of Social Work commented on this measure.

Your Committees are frustrated because OYS has not fulfilled its statutory mandates governing its office because of a lack of resources. While this measure prescribes a Task Force and an audit, your Committees find that a Task Force is duplicative of current efforts and an audit is not beneficial at this time. Therefore, your Committees have amended this measure by deleting its substance and replacing it with a similar measure that:

- (1) Requests OYS to revise its strategic plan and report to the Legislature on:
  - (A) The next steps toward achieving OYS's vision;
  - (B) The necessary resources to reach this vision; and
  - (C) Its relationship with other youth-serving agencies in its mission to serve all youth, and not just youth in the juvenile justice system;
- (2) Amends the title to read, "REQUESTING THE OFFICE OF YOUTH SERVICES TO REVISE ITS STRATEGIC PLAN;"
- (3) Directs OYS to collaborate with designated State agencies, the Judiciary, the counties, and private, youth-serving agencies in revising the strategic plan;
- (4) Requests OYS to seek input on the revised strategic plan from the communities that are affected by the strategic plan;
- (5) Directs OYS to submit its findings and recommendations to the Legislature before the Regular Session of 2000; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 63, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 63, H.D. 1.

Signed by all members of the Committees except Representatives Kaho'ohalahala and McDermott.

**SCRep. 1558 Human Services and Housing on H.C.R. No. 120**

The purpose of this concurrent resolution is to support the State's HOPE IV grant application for federal funding for the purpose of revitalizing distressed public housing projects in Hawaii and urge the U.S. Department of Housing and Urban Development to grant the application.

The Housing and Community Development Corporation of Hawaii testified in support of this measure. An individual submitted oral testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1559 Ocean Recreation and Marine Resources on H.C.R. No. 74**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources (BLNR) to issue easements or leases to a private land owner for fast and submerged lands in Keauhou, North Kona, Hawaii, for the staining and periodic maintenance of shoreline areas.

Testimony in support of this measure was received from BLNR and Project Planners Hawaii.

Your Committee finds that this measure will allow the above private land owner to stain state-owned lands that are seaward of and adjacent to their private property in order to make them less visibly intrusive.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 74, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kanoho and Meyer.

**SCRep. 1560 Ocean Recreation and Marine Resources on H.C.R. No. 233**

The purpose of this concurrent resolution is to:

- (1) Request the Department of Land and Natural Resources (DLNR) to study the impact of establishing a shoreline fishery management area on the island of Kauai in the vicinity of Hanapepe Salt Pond and Burns Field, with particular emphasis on Kuunakaiole; and
- (2) Request the DLNR to submit a report of their findings to the Legislature not less than twenty days prior to the convening of the Regular Session of 2000.

Your Committee received testimony from DLNR in support of the intent of this measure. The Office of Hawaiian Affairs testified in support of this measure. Testimony in opposition was received from several fishers.

Your Committee believes this measure will provide the Legislature with current information when making policy decisions with regards to the impact of establishing a shoreline fishery management area at Hanapepe, Kauai.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 233, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Auwae.

**SCRep. 1561                      Judiciary and Hawaiian Affairs on H.C.R. No. 90**

The purpose of this concurrent resolution is to review the current status of the child support enforcement system, identify steps taken to improve the system's efficiency and identify further steps which may be necessary.

Your Committee received testimony in support of this concurrent resolution from the Department of the Attorney General.

Your Committee finds that this concurrent resolution is necessary to protect children and families by ensuring that complaints are resolved in a speedy and efficient manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 90, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Yoshinaga and Pendleton.

**SCRep. 1562                      Judiciary and Hawaiian Affairs on H.C.R. No. 124**

The purpose of this concurrent resolution is to request that the child protection legislative roundtable (Roundtable) form a task force to examine and discuss issues relating to child abuse.

Testimony in support of this measure was received from the Office of Hawaiian Affairs, the Prosecuting Attorney for the City and County of Honolulu, and the Department of Human Services.

Your Committee finds that the Roundtable has been meeting for the past two years to suggest changes to improve Hawaii's child protective system. Your Committee believes that this concurrent resolution is needed to allow for greater scrutiny of the many legal and social issues that cannot be adequately addressed by the Roundtable alone.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Hiraki, Yoshinaga and Pendleton.

**SCRep. 1563                      Energy and Environmental Protection on H.C.R. No. 261**

The purpose of this concurrent resolution is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting--including all affected stakeholders--to consider regulatory, policy, fiscal and human resources that would be required to attract carbon investments into the state.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Trees For Life, and the Department of Labor and Industrial Relations.

The concept of carbon credits was initiated at the Kyoto Protocol, where it was acknowledged that carbon sinks could greatly aid in offsetting global warming. Carbon sinks include newly-planted and existing forests in which trees absorb carbon dioxide from the atmosphere and store or "sequester" it in a solid form as wood.

Currently, numerous companies are investing in carbon offset forestry (COF) projects. The State of Hawaii, with its unique geography and warm climate, has an opportunity to establish COF projects that demonstrate management of forests for: carbon sequestration, thereby mitigating global warming; sustainable forestry industries; and restoration of native forests.

Hawaii is presently a member-state to the Pacific NorthWest Carbon Sequestration Coalition, which seeks to provide carbon sequestration projects--which are described in this resolution-- to buyers of carbon credits.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 261, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Schatz and Takumi.

**SCRep. 1564                      Consumer Protection and Commerce on H.R. No. 51**

The purpose of this resolution is to form a task force on the creation of a uniform export logo for Hawai'i commodities.

Your Committee finds that the name "Hawaii" adds a distinct cachet to commodities, and that many sellers outside the state use the name "Hawaii" or other geographical designations associated with the State, such as "Kona," as a sales tactic to increase the desirability of their product. This undercuts genuine Hawaii products. The State has no mechanism to address misbranding of this type that occurs outside the State, but if the State were to develop its own unique made in Hawaii logo, it would be able to protect that logo outside the State and assure consumers throughout the world that they are receiving a genuine Hawaiian product.

The Commodity Advisory Group was formed by various commodity groups, including the Hawaii Farm Bureau Federation, the Hawaii Agricultural Research Center, and the Hawaii Food Manufacturers Association to address common issues of commodities groups. This Resolution asks the Commodity Advisory Group to establish a task force to devise a common logo useable by all Hawaii commodity exporters. This will assist Hawaii commodity exporters to establish their own unique identity in the national and international marketplace.

Testimony in support of the resolution was received from the Department of Agriculture, the Hawaii Food Manufacturers Association, and JoAnn Johnston & Co.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 51 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1565                      Consumer Protection and Commerce on H.C.R. No. 61**

The purpose of this concurrent resolution is to form a task force on the creation of a uniform export logo for Hawai'i commodities.

Your Committee finds that the name "Hawaii" adds a distinct cachet to commodities, and that many sellers outside the state use the name "Hawaii" or other geographical designations associated with the State, such as "Kona," as a sales tactic to increase the desirability of their product. This undercuts genuine Hawaii products. The State has no mechanism to address misbranding of this type that occurs outside the State, but if the State were to develop its own unique made in Hawaii logo, it would be able to protect that logo outside the State and assure consumers throughout the world that they are receiving a genuine Hawaiian product.

The Commodity Advisory Group was formed by various commodity groups, including the Hawaii Farm Bureau Federation, the Hawaii Agricultural Research Center, and the Hawaii Food Manufacturers Association to address common issues of commodities groups. This Concurrent Resolution asks the Commodity Advisory Group to establish a task force to devise a common logo useable by all Hawaii commodity exporters. This will assist Hawaii commodity exporters to establish their own unique identity in the national and international marketplace.

Testimony in support of the resolution was received from the Department of Agriculture, the Hawaii Food Manufacturers Association, and JoAnn Johnston & Co.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1566                      Consumer Protection and Commerce on H.R. No. 93**

The purpose of this resolution is to request the Insurance Commissioner to determine the effectiveness of the Hawaii Insurance Bureau's fire rating program.

In particular, this resolution requests the Insurance Commissioner to look at the interaction among certain industry issues such as local changes in fire protection, revision of rating organization filings, and individual insurer's conformity to rating organization filings.

Testimony in support of this measure was submitted by the Insurance Commissioner and the Hawaii Insurance Bureau.

Your Committee finds that the affordability of property and casualty insurance is of particular concern to communities situated in geographic regions at risk of sustaining natural or artificial fire and fire-related damage. As these communities build and develop fire prevention infrastructures to minimize the risks of fire-related damage, it is only fair that their insurance costs reflect their efforts.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 93 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1567 Consumer Protection and Commerce on H.C.R. No. 101**

The purpose of this concurrent resolution is to request the Insurance Commissioner to determine the effectiveness of the Hawaii Insurance Bureau's fire rating program.

In particular, this concurrent resolution requests the Insurance Commissioner to look at the interaction among certain industry issues such as local changes in fire protection, revision of rating organization filings, and individual insurer's conformity to rating organization filings.

Testimony in support of this measure was submitted by the Insurance Commissioner and the Hawaii Insurance Bureau.

Your Committee finds that the affordability of property and casualty insurance is of particular concern to communities situated in geographic regions at risk of sustaining natural or artificial fire and fire-related damage. As these communities build and develop fire prevention infrastructures to minimize the risks of fire-related damage, it is only fair that their insurance costs reflect their efforts.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1568 Consumer Protection and Commerce on H.R. No. 96**

The purpose of this resolution is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to study and define the term "medical necessity".

Testimony in support of this resolution was received from the Department of Health and the Hawaii Medical Service Association. The Insurance Commissioner, on behalf of the Department of Commerce and Consumer Affairs, testified to a willingness to participate in the study. The Hawaii Insurers Council (HIC) provided comments, seeking clarification on whether the study of the term "medical necessity" is restricted to prepaid health care statutes, as opposed to workers' compensation, automobile, and liability statutes.

Addressing the issue raised by HIC, your Committee emphasizes that this study is to evaluate issues relating to the term "medical necessity" in the context of prepaid health care insurance, and not workers' compensation, automobile, and liability insurance that is the domain of property and casualty insurers.

Your Committee finds that this study is much needed to provide consistency and clarification for the many complex issues surrounding the definition and application of a term which is crucial both to quality of care and health care costs for consumers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1569 Consumer Protection and Commerce on H.C.R. No. 106**

The purpose of this concurrent resolution is to request the Hawaii Patient Bill of Rights and Responsibilities Task Force to study and define the term "medical necessity".

Testimony in support of this measure was received from the Department of Health and the Hawaii Medical Service Association. The Insurance Commissioner, on behalf of the Department of Commerce and Consumer Affairs, testified to a willingness to participate in the study. The Hawaii Insurers Council (HIC) provided comments, seeking clarification on whether the study of the term "medical necessity" is restricted to prepaid health care statutes, as opposed to workers' compensation, automobile, and liability statutes.

Addressing the issue raised by HIC, your Committee emphasizes that this study is to evaluate issues relating to the term "medical necessity" in the context of prepaid health care insurance, and not workers' compensation, automobile, and liability insurance that is the domain of property and casualty insurers.

Your Committee finds that this study is much needed to provide consistency and clarification for the many complex issues surrounding the definition and application of a term which is crucial both to quality of care and health care costs for consumers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 106, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1570 Consumer Protection and Commerce on H.R. No. 15**

The purpose of this resolution is to urge the Executive Office on Aging, in partnership with Hospice Hawaii, to educate healthcare providers and the general public on the benefits of hospice.

Your Committee finds that the importance of hospice care at the end of life is not only valuable to the person dying, but to the person's family and friends. The setting for the final days of a loved one can occur in a comfortable place that both accepts death and prepares the survivors for the psychological and physical separation. Unfortunately, hospice is not widely accepted by the general population or the medical community and educational efforts can help to remedy this situation. Therefore, your Committee finds that this resolution will promote efforts that could go a long way toward increasing use of hospice by dying patients.

Your Committee received supporting testimony from the Hawaii Catholic Conference and the Hawaii Medical Association. The Hawaii Catholic Conference asked that the Executive Office on Aging look into cost factors associated with hospice care and ways to make it financially possible to expedite such care. Your Committee concurs that cost factors may be important to a family considering hospice care.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 15, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1571 Consumer Protection and Commerce on H.C.R. No. 12**

The purpose of this concurrent resolution is to urge the Executive Office on Aging, in partnership with Hospice Hawaii, to educate healthcare providers and the general public on the benefits of hospice.

Your Committee finds that the importance of hospice care at the end of life is not only valuable to the person dying, but to the person's family and friends. The setting for the final days of a loved one can occur in a comfortable place that both accepts death and prepares the survivors for the psychological and physical separation. Unfortunately, hospice is not widely accepted by the general population or the medical community and educational efforts can help to remedy this situation. Therefore, your Committee finds that this concurrent resolution will promote efforts that could go a long way toward increasing use of hospice by dying patients.

Your Committee received supporting testimony from the Hawaii Catholic Conference and the Hawaii Medical Association. The Hawaii Catholic Conference asked that the Executive Office on Aging look into cost factors associated with hospice care and ways to make it financially possible to expedite such care. Your Committee concurs that cost factors may be important to a family considering hospice care.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1572 Consumer Protection and Commerce on H.R. No. 213**

The purpose of this resolution is to determine whether the State's policy to fund automobile insurance coverage for public assistance recipients is financially sound. This resolution requests that the Department of Human Services (DHS), in cooperation with

the Insurance Commissioner, conduct a study evaluating alternative funding for automobile insurance coverage for public assistance recipients.

DHS submitted supporting testimony, welcoming the opportunity to conduct the study and expressing the Department's belief that the current system may be the most cost-effective for the State and the DHS. The Insurance Commissioner of the Department of Commerce and Consumer Affairs testified that the Insurance Division is willing to participate in the study.

Your Committee believes that, in these difficult economic times, this study would be prudent and help to fulfill the State's fiscal responsibility to all citizens. For purposes of clarity, consistency, and conformance with standard drafting conventions, your Committee has made technical, nonsubstantive amendments to this resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 213, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 213, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1573 Consumer Protection and Commerce on H.C.R. No. 243**

The purpose of this concurrent resolution is to determine whether the State's policy to fund automobile insurance coverage for public assistance recipients is financially sound. This concurrent resolution requests that the Department of Human Services (DHS), in cooperation with the Insurance Commissioner, conduct a study evaluating alternative funding for automobile insurance coverage for public assistance recipients.

DHS submitted supporting testimony, welcoming the opportunity to conduct the study and expressing the Department's belief that the current system may be the most cost-effective for the State and the DHS. The Insurance Commissioner of the Department of Commerce and Consumer Affairs testified that the Insurance Division is willing to participate in the study.

Your Committee believes that, in these difficult economic times, this study would be prudent and help to fulfill the State's fiscal responsibility to all citizens. For purposes of clarity, consistency, and conformance with standard drafting conventions, your Committee has made technical, nonsubstantive amendments to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 243, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1574 Human Services and Housing on H.C.R. No. 242**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS), the Hawaii County Police Department, and the Hawaii County Prosecutor to disclose any information regarding the case of "Peter Boy" Kema that they are not prohibited from disclosing by law.

The State Attorney General (AG) testified in opposition to this measure.

Upon further consideration, your Committee has amended this measure by deleting its substantive provisions and making the following amendments:

- (1) Urging the AG and relevant public interest law entities to review the investigation procedures used in the Kema case;
- (2) Urging the AG and relevant public interest law entities to review and recommend possible statutory revisions to address the likelihood of the death of a "missing child;"
- (3) Urging the AG and relevant public interest law entities to address the issue of statutory confidentiality, under section 587-71, Hawaii Revised Statutes, and whether it serves the best interests of children and the general public;
- (4) Changing its title to read: "URGING THE DEPARTMENT OF THE ATTORNEY GENERAL AND RELEVANT PUBLIC INTEREST LAW ENTITIES TO REVIEW INVESTIGATION PROCEDURES AND THE ISSUE OF CONFIDENTIALITY IN SUSPECTED CHILD ABUSE CASES LIKE THAT OF "PETER BOY" KEMA;"
- (5) Directing the AG to submit a report to the Legislature before the Regular Session of 2000;
- (6) Transmitting copies of this measure to the AG, Director of Human Services, Police Chiefs from each county, and County Prosecutors from each county; and



- (7) Making other technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 242, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1575                      Tourism on H.C.R. No. 166**

The purpose of this concurrent resolution is to support to the greatest extent possible the efforts of the Aloha Racing Foundation, its sponsors, and the Waikiki Yacht Club, in order to ensure success and the appropriate promotion of Hawaii's first-time challenge for the America's Cup.

Your Committee received testimony in support of this measure from several individuals. The Department of Business, Economic Development and Tourism submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166, and recommends its adoption.

Signed by all members of the Committee except Representatives Kaho'ohalahala, Saiki and Halford.

**SCRep. 1576                      Tourism on H.R. No. 120**

The purpose of this resolution is to recognize the sport of yo-yo play by requesting the Governor to proclaim August 15 to August 21, 1999, as official Yo-Yo Week in the State.

HPK Marketing and Team High Performance testified in support of this measure.

Due to the talents, professionalism, and energy of Hawaii's skilled yo-yo competitors, most of them youths, Hawaii has taken a preeminent role in exporting the sport of yo-yo play worldwide. As a result of the sport's success, the top-notch marketing and promotional efforts of yo-yo sponsors in the State, and Hawaii's pool of young, talented yo-yo players, Hawaii will be the host of the 1999 Bandai World Yo-Yo Competition from August 20-22, 1999. Your Committee recognizes that this international competition will not only highlight the best yo-yo competitors in the world and this highly popular sport, but will also promote Hawaii and be a boon to local tourism.

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

- (1) Changing its title to read as follows: "REQUESTING THAT THE GOVERNOR PROCLAIM AUGUST 15 TO AUGUST 21, 1999, AS OFFICIAL YO-YO WORLD COMPETITION WEEK IN THE STATE OF HAWAII";
- (2) Urging the Hawaii Tourism Authority to assist the coordinators of the 1999 Bandai World Yo-Yo Competition to facilitate the success of the event;
- (3) Requesting that a copy of this resolution be transmitted to the Executive Director of the Hawaii Tourism Authority; and
- (4) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 120, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1577                      Tourism on H.C.R. No. 133**

The purpose of this concurrent resolution is to recognize the sport of yo-yo play by requesting the Governor to proclaim August 15 to August 21, 1999, as official Yo-Yo Week in the State.

HPK Marketing and Team High Performance testified in support of this measure.

Due to the talents, professionalism, and energy of Hawaii's skilled yo-yo competitors, most of them youths, Hawaii has taken a preeminent role in exporting the sport of yo-yo play worldwide. As a result of the sport's success, the top-notch marketing and promotional efforts of yo-yo sponsors in the State, and Hawaii's pool of young, talented yo-yo players, Hawaii will be the host of the 1999 Bandai World Yo-Yo Competition from August 20-22, 1999. Your Committee recognizes that this international competition will not only highlight the best yo-yo competitors in the world and this highly popular sport, but will also promote Hawaii and be a boon to local tourism.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read as follows: "REQUESTING THAT THE GOVERNOR PROCLAIM AUGUST 15 TO AUGUST 21, 1999, AS OFFICIAL YO-YO WORLD COMPETITION WEEK IN THE STATE OF HAWAII";
- (2) Urging the Hawaii Tourism Authority to assist the coordinators of the 1999 Bandai World Yo-Yo Competition to facilitate the success of the event;
- (3) Requesting that a copy of this concurrent resolution be transmitted to the Executive Director of the Hawaii Tourism Authority; and
- (4) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 133, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 133, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1578                    Human Services and Housing on H.C.R. No. 249**

The purpose of this concurrent resolution is to:

- (1) Request the United Nations to establish and support a center for the health, welfare, and rights of children and youth in Hawaii; and
- (2) Respectfully request support for the center from the President of the United States and the U.S. Congress.

The Millennium Young People's Congress and a concerned individual testified in support of the measure.

Your Committee finds that the research of issues and alternatives pertinent to our children's future deserves a center where advocacy, policy implementation, and strategy for the health, welfare, and rights of children can be promoted, as well as provide children with a forum for legislation, funding, and global communications. Hawaii's location in the middle of the Pacific will provide an excellent and strategic location for such a center.

Your Committee has amended this concurrent resolution by:

- (1) Changing the focus of the request to UNICEF;
- (2) Amending the title, for the purpose of clarity, to read: "REQUESTING THE UNITED NATIONS CHILDREN'S FUND (UNICEF) TO ESTABLISH A CENTER FOR THE HEALTH, WELFARE, AND RIGHTS OF CHILDREN AND YOUTH IN HAWAII, AND RESPECTFULLY REQUESTING THE PRESIDENT OF THE UNITED STATES AND THE U.S. CONGRESS TO SUPPORT THE CENTER;" and
- (3) Directing that a certified copy of the concurrent resolution be transmitted to the President of the UNICEF Executive Board.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 249, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1579                    Consumer Protection and Commerce on H.R. No. 14**

The purpose of this resolution is to urge counselors, clergy of all religions, faith healers, and health care professionals to integrate spiritual and cultural counseling services into the health care system, particularly for individuals who are afflicted with life-threatening illness.

More specifically, the resolution urges that spiritual counseling be made available to, and that sensitivity be shown to the personal and spiritual preferences of, individuals in health care facilities, and that counselors, clergy of all religions, faith healers, and health care professionals be trained to help people deal with end of life issues.

The resolution also urges counselors, clergy of all religions, faith healers, and health care professionals to present honest and clear options to patients who face the end of their lives and to encourage family conversations about death and dying before serious illness strikes.

The Hawaii Catholic Conference, the Hawaii Medical Association, the Hawaii Nurses' Association, and the Chairperson of the Christian Science Committee on Publication in Hawaii submitted testimony in support of this measure.

Your Committee acknowledges the critical difference that spiritual and cultural counseling can make both to the patient and the patient's family. Your Committee finds that encouraging open and balanced communication about the issues of death and dying with a counselor or selected clergy and among family members would enhance health care services and bring comfort to a critically ill person and the person's family.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 14 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1580                      Consumer Protection and Commerce on H.C.R. No. 11**

The purpose of this concurrent resolution is to urge counselors, clergy of all religions, faith healers, and health care professionals to integrate spiritual and cultural counseling services into the health care system, particularly for individuals who are afflicted with life-threatening illness.

More specifically, the concurrent resolution urges that spiritual counseling be made available to, and that sensitivity be shown to the personal and spiritual preferences of, individuals in health care facilities, and that counselors, clergy of all religions, faith healers, and health care professionals be trained to help people deal with end of life issues.

The concurrent resolution also urges counselors, clergy of all religions, faith healers, and health care professionals to present honest and clear options to patients who face the end of their lives and to encourage family conversations about death and dying before serious illness strikes.

The Hawaii Catholic Conference, the Hawaii Medical Association, the Hawaii Nurses' Association, and the Chairperson of the Christian Science Committee on Publication in Hawaii submitted testimony in support of this measure.

Your Committee acknowledges the critical difference that spiritual and cultural counseling can make both to the patient and the patient's family. Your Committee finds that encouraging open and balanced communication about the issues of death and dying with a counselor or selected clergy and among family members would enhance health care services and bring comfort to a critically ill person and the person's family.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11 and recommends its adoption.

Signed by all members of the Committee except Representatives Chang, Garcia, Morita and Yoshinaga.

**SCRep. 1581                      Consumer Protection and Commerce on S.B. No. 1132**

The purpose of this bill is to change the frequency of examinations by the Insurance Commission of captive insurance companies from once a year to a minimum of once every three years, as determined by the Insurance Commissioner.

Testimony in support of the bill was received from the Insurance Commissioner of the Department of Commerce and Consumer Affairs and J&H Marsh & McLennan Management, Inc. The Hawaii Captive Insurance Council provided oral testimony only, in support of the measure.

To facilitate further discussion of this measure, your Committee has amended this bill by replacing its contents with that of H.B. 1070, H.D. 1, which was passed out earlier this session by your Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1582                      Consumer Protection and Commerce on S.B. No. 970**

The purpose of this bill is to exempt bail bonds issued under section 804-62, Hawaii Revised Statutes (HRS), a section that supplements the Penal Code, from regulation under section 431:14-104, HRS, of the Insurance Code.

The Professional Bail Agents Association of Hawaii supported the measure, testifying that under current law bail bonds are regulated under both Chapters 431 and 804, HRS, which apply differing premium rates to bail bonds to the confusion of the bail bond industry. The Insurance Commissioner of the Department of Commerce and Consumer Affairs had no opposition to this bill so long as premium rate limits under Chapter 804, HRS, would continue to apply to bail bonds.

To allow continued discussion of this measure, your Committee has amended the bill, replacing its contents with that of H.B. No. 792, H.D. 1, a similar measure that passed out of your Committee earlier this session and that contains technical, nonsubstantive differences.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 970, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Chang, Hiraki, Morita, Takumi and Halford.

**SCRep. 1583                      Tourism on H.R. No. 184**

The purpose of this resolution is to promote, encourage, and stimulate private businesses engaged in the tourism industry by requesting the Governor to abide by the policies as specified in the measure.

Your Committee received testimony in support of this measure from Charley's Taxi & Limousine and the Hawaii Activities and Tour Association (HAATA).

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1584                      Tourism on H.C.R. No. 201**

The purpose of this concurrent resolution is to promote, encourage, and stimulate private businesses engaged in the tourism industry by requesting the Governor to abide by the policies as specified in the measure.

Your Committee received testimony in support of this measure from Charley's Taxi & Limousine and the Hawaii Activities and Tour Association (HAATA).

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201, and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki and Halford.

**SCRep. 1585                      Education on H.R. No. 83**

The purpose of this Resolution is to encourage all schools in Hawaii to include music as a regular and integral part of their curriculum.

Your Committee finds that current educational research has discovered that the study of music benefits overall intellectual development. Strengthening the public school's commitment to music education should have a positive effect on student development. Your Committee finds that the music education task force has been working for three years on developing program descriptions for all grade levels and recommendations for improvement to the school music curriculum.

Testimony in favor of the intent of the resolution was received from the Superintendent of Education and three members of the music education task force.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1586                      Education on H.C.R. No. 94**

The purpose of this Concurrent Resolution is to encourage all schools in Hawaii to include music as a regular and integral part of their curriculum.

Your Committee finds that current educational research has discovered that the study of music benefits overall intellectual development. Strengthening the public school's commitment to music education should have a positive effect on student development. Your Committee finds that the music education task force has been working for three years on developing program descriptions for all grade levels and recommendations for improvement to the school music curriculum.

Testimony in favor of the intent of the resolution was received from the Superintendent of Education and three members of the music education task force.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1587                      Education on H.R. No. 87**

The purpose of this measure is to request the Department of Education and the Hawaii School Office Services Association to develop a staffing formula for school office staff, and to submit their recommendations to the Legislature prior to the convening of the Regular Session of 2000.

Your Committee received testimony in support of this measure from the Department of Education, the Hawaii School Office Services Association, and the school administrative services assistant of Kalaheo High School.

Your Committee finds that the last staffing study for school and district office clerical positions was conducted in 1990. Since the completion of that study, legislatively mandated and department initiated restructuring at the state, district, and school levels and the imposition of additional recordkeeping and reporting requirements under the Felix v. Cayetano consent decree and the reauthorized Individuals with Disabilities Education Act, have added a considerable amount of clerical work that must be performed by school office staff. Due to chronic and severe understaffing, many school office staff take work home in the evenings and go to work on the weekends; burnout is high and morale in school offices is very low.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 87, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1588                      Education on H.C.R. No. 96**

The purpose of this measure is to request the Department of Education and the Hawaii School Office Services Association to develop a staffing formula for school office staff, and to submit their recommendations to the Legislature prior to the convening of the Regular Session of 2000.

Your Committee received testimony in support of this measure from the Department of Education, the Hawaii School Office Services Association, and the school administrative services assistant of Kalaheo High School.

Your Committee finds that the last staffing study for school and district office clerical positions was conducted in 1990. Since the completion of that study, legislatively mandated and department initiated restructuring at the state, district, and school levels and the imposition of additional recordkeeping and reporting requirements under the Felix v. Cayetano consent decree and the reauthorized Individuals with Disabilities Education Act, have added a considerable amount of clerical work that must be performed by school office staff. Due to chronic and severe understaffing, many school office staff take work home in the evenings and go to work on the weekends; burnout is high and morale in school offices is very low.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Santiago.

**SCRep. 1589                      Education on H.R. No. 195**

The purpose of this resolution is to request the Department of Education (DOE) to reconsider its timetable for implementation of the plan to move sixth grade students from elementary schools to intermediate schools.

Testimony in support of the resolution was submitted by three parents of Noelani School students and a public middle school student. The DOE submitted comments on the resolution.

Your Committee finds that the DOE has in recent years moved to implement the middle school concept, in which students are grouped in grades six through eight. Formerly, intermediate schools grouped students in grades seven through nine. As a result of replacing intermediate schools with middle schools, sixth grade classes at various elementary schools have been eliminated. Recently the DOE has recommended the elimination of Noelani School's sixth grade.

The testimony of the Noelani School parents included "An Issue Paper on the Elimination of the 6th Grade at Noelani School" (Issue Paper) prepared by the Noelani Parents Ad Hoc Committee, with 14 individuals named as members. The report asserts that the DOE's "Position Paper Regarding Grade Six Student Placement" that was distributed to parents at Noelani School does not provide evidence that middle schools are better than elementary schools for sixth graders. In responding to a question at the public hearing, the DOE stated that an assessment of middle schools in Hawaii has not been performed. The Issue Paper indicates that sixth grade student performance is better in elementary school than in middle school.

The Issue Paper also asserts that the recommendation to eliminate the sixth grade from Noelani School was made without consulting the parents of Noelani School students. The School/Community-Based Management (SCBM) Council at Noelani School did not have the opportunity to discuss the matter prior to the time of the DOE recommendation.

Parents at Noelani School have raised an issue that has statewide implications. Besides the lack of data regarding any benefits of having sixth graders in Hawaii attend middle school, no studies nationally indicate that grouping students in grades six through eight has academic benefits. As such, the creation of middle schools with this grouping is questionable.

At a minimum, the DOE should consider offering parents a choice of having their children attend a school with grades kindergarten through five or a school with grades kindergarten through six. The sixth grade issue at each elementary school should be determined by the SCBM Council.

Your Committee is encouraged that the Board of Education has requested that the DOE further refine its middle school policy, as well as develop relevant implementation and administrative guidelines. According to the DOE testimony, these guidelines will elaborate on the involvement of local communities as schools and districts plan to restructure schools to implement middle school concepts and strategies.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 195, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1590                      Education on H.C.R. No. 217**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to reconsider its timetable for implementation of the plan to move sixth grade students from elementary schools to intermediate schools.

Testimony in support of the resolution was submitted by three parents of Noelani School students and a public middle school student. The DOE submitted comments on the resolution.

Your Committee finds that the DOE has in recent years moved to implement the middle school concept, in which students are grouped in grades six through eight. Formerly, intermediate schools grouped students in grades seven through nine. As a result of replacing intermediate schools with middle schools, sixth grade classes at various elementary schools have been eliminated. Recently the DOE has recommended the elimination of Noelani School's sixth grade.

The testimony of the Noelani School parents included "An Issue Paper on the Elimination of the 6th Grade at Noelani School" (Issue Paper) prepared by the Noelani Parents Ad Hoc Committee, with 14 individuals named as members. The report asserts that the DOE's "Position Paper Regarding Grade Six Student Placement" that was distributed to parents at Noelani School does not provide evidence that middle schools are better than elementary schools for sixth graders. In responding to a question at the public hearing, the DOE stated that an assessment of middle schools in Hawaii has not been performed. The Issue Paper indicates that sixth grade student performance is better in elementary school than in middle school.

The Issue Paper also asserts that the recommendation to eliminate the sixth grade from Noelani School was made without consulting the parents of Noelani School students. The School/Community-Based Management (SCBM) Council at Noelani School did not have the opportunity to discuss the matter prior to the time of the DOE recommendation.

Parents at Noelani School have raised an issue that has statewide implications. Besides the lack of data regarding any benefits of having sixth graders in Hawaii attend middle school, no studies nationally indicate that grouping students in grades six through eight has academic benefits. As such, the creation of middle schools with this grouping is questionable.

At a minimum, the DOE should consider offering parents a choice of having their children attend a school with grades kindergarten through five or a school with grades kindergarten through six. The sixth grade issue at each elementary school should be determined by the SCBM Council.

Your Committee is encouraged that the Board of Education has requested that the DOE further refine its middle school policy, as well as develop relevant implementation and administrative guidelines. According to the DOE testimony, these guidelines will elaborate on the involvement of local communities as schools and districts plan to restructure schools to implement middle school concepts and strategies.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Okamura and Santiago

**SCRep. 1591                      Education on H.R. No. 196**

The purpose of this resolution is to request the Governor to establish a task force to develop a statewide program for Hawaii's schools that focuses on strong academic standards, assessment testing, and consequences for both favorable and unfavorable results by no later than July 31, 1991.

Rolf Advertising testified in support of the measure. The Department of Education (DOE) testified that while it appreciates the Legislature's interest in standards, assessment, and accountability, it does not support the measure because the issues are being dealt with in a bill that is making its way through the current legislative session.

Your Committee finds that work on developing educational accountability in a comprehensive, holistic, and systemic manner is underway in the DOE. Five work groups have been convened to develop actionable plans to refine the Hawaii Content and Performance Standards, develop assessment and accountability, develop student support services, modernize administrative support, and redefine school governance. The resulting plans of the five work groups will be integrated to produce one comprehensive plan. DOE testified that the first drafts of the plans are due in mid-May, and the final plan is due in August.

Your Committee finds that the requested task force could be useful in monitoring the DOE's progress in the development of academic standards, assessment testing, and accountability. Your Committee respectfully requests that the Committee on Finance consider changing the requirement that the task force be selected by the Governor no later than July 31, 1999, to being selected within thirty days of adoption of the measure so that the task force will be able to track the DOE's progress in these areas.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 196, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1592                      Education on H.C.R. No. 218**

The purpose of this concurrent resolution is to request the Governor to establish a task force to develop a statewide program for Hawaii's schools that focuses on strong academic standards, assessment testing, and consequences for both favorable and unfavorable results by no later than July 31, 1991.

Rolf Advertising testified in support of the measure. The Department of Education (DOE) testified that while it appreciates the Legislature's interest in standards, assessment, and accountability, it does not support the measure because the issues are being dealt with in a bill that is making its way through the current legislative session.

Your Committee finds that work on developing educational accountability in a comprehensive, holistic, and systemic manner is underway in the DOE. Five work groups have been convened to develop actionable plans to refine the Hawaii Content and Performance Standards, develop assessment and accountability, develop student support services, modernize administrative support, and redefine school governance. The resulting plans of the five work groups will be integrated to produce one comprehensive plan. DOE testified that the first drafts of the plans are due in mid-May, and the final plan is due in August.

Your Committee finds that the requested task force could be useful in monitoring the DOE's progress in the development of academic standards, assessment testing, and accountability. Your Committee respectfully requests that the Committee on Finance consider changing the requirement that the task force be selected by the Governor no later than July 31, 1999, to being selected within thirty days of adoption of the measure so that the task force will be able to track the DOE's progress in these areas.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1593                      Culture and the Arts on H.C.R. No. 119**

The purpose of this House Concurrent Resolution is to request the State Foundation on Culture and the Arts (SFCA) to prepare a plan to generate revenues for the foundation to supplement its budget.

Testimony in support of this House Concurrent Resolution was submitted by the SFCA.

Your Committee recognizes the important role that the SFCA has within the arts community and in perpetuating the unique culture and arts of Hawaii.

Your Committee further recognizes the critical importance of culture and the arts to the visitor experience in Hawaii. Unique in all the world, Hawaii's culture and the arts need to be showcased for all to learn from, experience, and enjoy.

In these times of severe fiscal constraints, where the SFCA has sustained massive budget cutbacks, which have resulted in much hardship for many long standing culture and arts programs, it is important to explore new sources of funding and or means of generating revenue.

Your Committee has amended the measure by:

- (1) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representative Santiago.

**SCRep. 1594 Economic Development and Business Concerns and Ocean Recreation and Marine Resources on H.C.R. No. 20**

The purpose of this measure is to:

- (1) Request that the Department of Business, Economic Development, and Tourism, the University of Hawaii, the University of Hawaii College of Tropical Agriculture and Human Resources, the University of Hawaii School of Ocean and Earth Science and Technology, the Department of Agriculture, and appropriate private sector firms develop strategies and coordinate initiatives to facilitate the growth of Hawaii's biotechnology industry;
- (2) Request that the University of Hawaii coordinate its programs involved with biotechnology research and development to enhance recognition of these programs and facilitate industry development efforts; and
- (3) Request that the Department of Business, Economic Development, and Tourism, in conjunction with the agencies listed above, submit a report of the actions and efforts taken to facilitate the growth of Hawaii's biotechnology industry to the Legislature.

Testimony in support of this measure was submitted by the Department of Agriculture and the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa. The Department of Business, Economic Development, and Tourism submitted comments.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 20, and recommend that it be referred to the Committee on Higher Education.

Signed by all members of the Committees except Representatives Ito, Saiki, Suzuki, Halford and Meyer.

**SCRep. 1595 Economic Development and Business Concerns on H.C.R. No. 27**

The purpose of this measure is to encourage the government and the telecommunications industry to continue their efforts to find cost-effective service solutions to provide cable access and advanced telecommunications infrastructure in remote rural areas of the State.

Testimony in support of this measure was submitted by GTE Hawaiian Tel. Comments were submitted by Oceanic Cablevision, Hawaiian Cablevision, Hawaiian Cablevision of Hilo, and Sun Cablevision of Hawaii (divisions of Time Warner Entertainment Company, L.P.).

Your Committee has amended this measure by including that the cable television industry is also encouraged to continue efforts to find cost-effective service solutions for providing cable access infrastructure in remote rural areas of the State.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morihara, Saiki and Halford.

**SCRep. 1596 Economic Development and Business Concerns on H.C.R. No. 230**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to study the feasibility of replacing the income and general excise taxes with a new retail sales tax and to prepare an economic impact analysis report on the effects of restructuring the state tax system, including:

- (1) Cost estimates of the proposed conversion to a retail sales tax, including anticipated administrative costs;
- (2) The anticipated economic impact on taxpayers in Hawaii arising from the conversion;
- (3) The expected percentage of the sales tax that will be borne by visitors to Hawaii who purchase Hawaii goods and services;



- (4) The anticipated impact on the collection of state tax revenues in Hawaii;
- (5) The expected rate at which the new sales tax must be established in order to generate sufficient revenues to replace the general excise and income taxes; and
- (6) Any other information that the Department considers to be appropriate for policy makers;

Testimony in support of this measure was submitted by the National Federation of Independent Business (NFIB). Testimony in support of the intent of this measure was submitted by the Department of Business, Economic Development, and Tourism and the Department of Taxation, which also provided recommendations.

Your Committee has amended this measure by the following:

- (1) Amending the title of the resolution by deleting mention of the agencies responsible for providing the report;
- (2) Adding language that the report should consider replacing the general excise tax and the income tax with a new retail tax or other tax;
- (3) Providing that the Department of Business, Economic Development, and Tourism and the Department of Taxation would be responsible for conducting the report, with assistance from the Legislative Reference Bureau; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 230, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morihara, Saiki and Halford.

**SCRep. 1597                      Education on H.R. No. 38**

The purpose of the resolution is to request the Department of Education (DOE) to create alternatives for students at multi-track schools during interim periods.

An individual submitted testimony in support of the resolution. The Hawaii State Teachers Association supported the intent of the measure. The Department of Education commented on it.

Your Committee finds that most schools with traditional calendars have programs during the summer interim that are available to students, usually for a fee. For many families, these programs provide learning opportunities when children would otherwise be unsupervised. The DOE has an obligation to create the same kinds of programs at multi-track schools for students who are "off-track."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 38 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1598                      Education on H.C.R. No. 18**

The purpose of this concurrent resolution is to urge the Board of Education to consider requiring family and parenting classes for high school students.

In light of the numerous reports of child abuse, your Committee believes that parenting training should be expanded in the public schools. We live in a time when child rearing practices are not handed down from generation to generation as much as they were in the past. Furthermore, there has been an increase in single parent households, and economic conditions require both parents in dual parent households to work. These socio-economic conditions create stress on families, which may result in child abuse if parents are not properly trained.

Family and parenting training classes are currently offered in the public schools, but few students are taking advantage of such classes. Alternately, family and parenting training and guidance can be incorporated as a component of other classes in the high schools. This will allow more students to be exposed to this important matter.

The Hawaii State Teachers Association testified in support of the intent of the concurrent resolution. The Board of Education testified in opposition to the concurrent resolution because it will reduce the number of electives a student may take.

Your Committee amended this concurrent resolution by:

- (1) Deleting the mandatory nature of the family and parenting classes;

- (2) Adding that family and parenting training and guidance can be provided in separate elective classes or a component of other existing classes;
- (3) Urging the Board of Education to expand family and parenting training and guidance;
- (4) Revising the title to conform to changes in the body; and
- (5) Making technical, nonsubstantive revisions for style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 18, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 18, H.D. 1.

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

**SCRep. 1599                      Education on H.R. No. 10**

The purpose of this resolution is to urge the Board of Education and the Superintendent of Education to restructure the Department of Education to ensure accountability at all levels.

The Superintendent of Education testified in support of this resolution, but recommended several amendments. The Hawaii State Teachers Association supported the intent of the resolution.

Your Committee is committed to improving accountability in Hawaii's public school system as the foundation for educational improvement. Many parties impact the quality of education, and only when their respective roles are defined and those parties are assessed on their defined roles can public education in Hawaii advance.

Your Committee has amended this resolution by incorporating the recommendations of the Superintendent of Education. Specifically, your Committee has amended this measure by:

- (1) Indicating that Hawaii has a very high rate of enrollment in private schools rather than the highest rate when compared to other schools in the nation;
- (2) Adding the Governor, the Legislature, and students to the list of parties who influence the quality of education; and
- (3) Adding support by adequate resources and supportive legislative and policy agenda as an attribute of effective accountability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 10, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 10, H.D. 1.

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

**SCRep. 1600                      Education on H.C.R. No. 7**

The purpose of this concurrent resolution is to urge the Board of Education and the Superintendent of Education to restructure the Department of Education to ensure accountability at all levels.

The Superintendent of Education testified in support of this concurrent resolution but, recommended several amendments. The Hawaii State Teachers Association supported the intent of the concurrent resolution.

Your Committee is committed to improving accountability in Hawaii's public school system as the foundation for educational improvement. Many parties impact the quality of education, and only when their respective roles are defined and those parties are assessed on the basis of their defined roles can public education in Hawaii advance.

Your Committee has amended this concurrent resolution by incorporating the recommendations of the Superintendent of Education. Specifically, your Committee has amended this measure by:

- (1) Indicating that Hawaii has a very high rate of enrollment in private schools rather than the highest rate when compared to other schools in the nation;
- (2) Adding the Governor, the Legislature, and students to the list of parties who influence the quality of education; and
- (3) Adding support by adequate resources and supportive legislative and policy agenda as an attribute of effective accountability.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 7, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 7, H.D. 1.

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

**SCRep. 1601                      Education on H.R. No. 63**

The purpose of this resolution, as received, is to request the Departments of Education and Health (DOE and DOH) to develop a plan to provide all of Hawaii's public school children the opportunity to have a nutritious breakfast.

Hawaii Kids Count testified in support of this measure. The Office of the Governor testified in support of the intent of this measure. DOE submitted testimony concurring with this resolution. DOH testified in opposition to this measure. One individual submitted comments.

Your Committee recognizes the link between breakfast and learning, and that many children, particularly the poor and homeless, do not have access to nutritious food. Extending the opportunity to all of Hawaii's children to have a nutritious breakfast would help ensure that all children will be safe, healthy, and ready to succeed in school.

Your Committee finds that there currently exists a partnership between the Center on the Family, the Department of Human Services (DHS), DOH, DOE, the Good Beginnings Alliance, Hawaii Kids Count, and the Governor's Policy Advisor for Children and Families that is congruent with the intent of this resolution.

Therefore, your Committee has amended this measure by deleting its substance and inserting similar language requesting a partnership to increase the number of children who have an opportunity to eat a nutritious breakfast in the public and private schools, preschools, and group care. Specifically, this measure has been amended by:

- (1) Changing the title to read: "REQUESTING A COLLABORATIVE PARTNERSHIP TO INCREASE THE NUMBER OF CHILDREN WHO HAVE AN OPPORTUNITY TO EAT A NUTRITIOUS BREAKFAST IN THE PUBLIC AND PRIVATE SCHOOLS, PRE-SCHOOLS, AND GROUP CARE;"
- (2) Requesting DOE, DOH, DHS, the Office of the Governor, the Center on the Family, Hawaii Kids Count, and the Good Beginnings Alliance to participate in this partnership; and
- (3) Transmitting certified copies of this resolution to the Superintendent of Education; the Chairperson of the Board of Education; the Directors of Health, Education, and Human Services; the Director of the Center on the Family; the Director of Hawaii Kids Count; the Executive Director of the Good Beginnings Alliance; and the Office of the Governor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 63, H.D. 1.

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

**SCRep. 1602                      Education on H.C.R. No. 76**

The purpose of this concurrent resolution, as received, is to request the Departments of Education and Health (DOE and DOH) to develop a plan to provide all of Hawaii's public school children the opportunity to have a nutritious breakfast.

Hawaii Kids Count testified in support of this measure. The Office of the Governor testified in support of the intent of this measure. DOE submitted testimony concurring with this resolution. DOH testified in opposition to this measure. One individual submitted comments.

Your Committee recognizes the link between breakfast and learning, and that many children, particularly the poor and homeless, do not have access to nutritious food. Extending the opportunity to all of Hawaii's children to have a nutritious breakfast would help ensure that all children will be safe, healthy, and ready to succeed in school.

Your Committee finds that there currently exists a partnership between the Center on the Family, the Department of Human Services (DHS), DOH, DOE, the Good Beginnings Alliance, Hawaii Kids Count, and the Governor's Policy Advisor for Children and Families that is congruent with the intent of this resolution.

Therefore, your Committee has amended this measure by deleting its substance and inserting similar language requesting a partnership to increase the number of children who have an opportunity to eat a nutritious breakfast in the public and private schools, preschools, and group care. Specifically, this measure has been amended by:

- (1) Changing the title to read: "REQUESTING A COLLABORATIVE PARTNERSHIP TO INCREASE THE NUMBER OF CHILDREN WHO HAVE AN OPPORTUNITY TO EAT A NUTRITIOUS BREAKFAST IN THE PUBLIC AND PRIVATE SCHOOLS, PRE-SCHOOLS, AND GROUP CARE;"

- (2) Requesting DOE, DOH, DHS, the Office of the Governor, the Center on the Family, Hawaii Kids Count, and the Good Beginnings Alliance to participate in this partnership; and
- (3) Transmitting certified copies of this concurrent resolution to the Superintendent of Education; the Chairperson of the Board of Education; the Directors of Health, Education, and Human Services; the Director of the Center on the Family; the Director of Hawaii Kids Count; the Executive Director of the Good Beginnings Alliance; and the Office of the Governor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 76, H.D. 1.

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

**SCRep. 1603                      Education on H.R. No. 206**

The purpose of this resolution is to request the appointment of a temporary advisory commission to recommend a new program structure for lower education.

The Department of Budget and Finance submitted testimony in general support of the resolution.

While concurring with the intent of the resolution, the Department of Education (DOE) testified that a program structure should be part of an overall effort at standards-based reform, and that development of educational accountability should not be undertaken on a piecemeal basis.

Your Committee finds that financial information reported by the DOE about its programs have often been deficient. In many cases, expenditures are not matched with educational goals and objectives, and actual expenditures are not matched with budgeted amounts. The Legislature and the public have been frustrated with the inability of the DOE to provide the kind of financial information that should be expected from a public agency.

Your Committee has amended the resolution by:

- (1) Emphasizing the inadequacy of financial reports made by the DOE;
- (2) Describing "transparent" systems of financial reporting that can be achieved by automation;
- (3) Recognizing the importance of the Hawaii Content and Performance Standards and recognizing that a financial system must fit into a larger accountability system;
- (4) Revising the specific objectives of the Advisory Commission (Commission);
- (5) Changing the membership of the Commission from eight to five, with members appointed by the Governor and the Chairperson of the Board of Education;
- (6) Stating that it is unclear whether the DOE has an appropriate financial structure;
- (7) Revising the title to emphasize recommendations for a financial structure that is coordinated with education goals; and
- (8) Making technical, nonsubstantive revisions for purposes style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 206, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 206, H.D. 1.

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

**SCRep. 1604                      Education on H.C.R. No. 237**

The purpose of this concurrent resolution is to request the appointment of a temporary advisory commission to recommend a new program structure for lower education.

The Department of Budget and Finance submitted testimony in general support of the resolution.

While concurring with the intent of the resolution, the Department of Education (DOE) testified that a program structure should be part of an overall effort at standards-based reform, and that development of educational accountability should not be undertaken on a piecemeal basis.

Your Committee finds that financial information reported by the DOE about its programs have often been deficient. In many cases, expenditures are not matched with educational goals and objectives, and actual expenditures are not matched with budgeted amounts. The Legislature and the public have been frustrated with the inability of the DOE to provide the kind of financial information that should be expected from a public agency.

Your Committee has amended the concurrent resolution by:

- (1) Emphasizing the inadequacy of financial reports made by the DOE;
- (2) Describing "transparent" systems of financial reporting that can be achieved by automation;
- (3) Recognizing the importance of the Hawaii Content and Performance Standards and recognizing that a financial system must fit into a larger accountability system;
- (4) Revising the specific objectives of the Advisory Commission (Commission);
- (5) Changing the membership of the Commission from eight to five, with members appointed by the Governor and the Chairperson of the Board of Education;
- (6) Stating that it is unclear whether the DOE has an appropriate financial structure;
- (7) Revising the title to emphasize recommendations for a financial structure that is coordinated with education goals; and
- (8) Making technical, nonsubstantive revisions for purposes style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 237, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 237, H.D. 1.

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

**SCRep. 1605                      Education on H.R. No. 11**

The purpose of this resolution is to request the Department of Education, the Board of Education, the Department of Budget and Finance, Hawaii's Congressional Delegation, parents of federally-connected children, and faculty of affected schools to work cooperatively to:

- (1) Increase the amount of Federal Impact Aid awarded to Hawaii;
- (2) Seek alternative funding sources for the education of federally-connected special needs students;
- (3) Determine how such moneys are disbursed;
- (4) Examine ways to direct Federal Impact Aid moneys to the affected schools, instead of the State general fund; and
- (5) Ensure that parents of federally-connected children have ready access to information regarding the public school education of their children, with a focus on specific ways these parents can become involved in the decision-making process.

The Department of Education (DOE) testified in support of the intent of the measure. The Department of Budget and Finance (B&F) testified that Impact Aid funds are a reimbursement to the State, and that they are not deposited to the state general fund but retained by the DOE for general educational expenses. Both DOE and B&F noted that, historically, the DOE has used the Impact Aid funds for teacher salaries and fringe benefits for regular and special education teachers.

Your Committee finds that, because Hawaii is required to educate a disproportionate share of military dependents who, by federal law, qualify for free and appropriate education, efforts to increase the Impact Aid level of funding are crucial.

Your Committee has amended this resolution by:

- (1) Deleting the contents of the resolution and replacing it with language that requests Hawaii's Congressional Delegation to vigorously pursue and obtain:
  - (a) An increase in federal funding for the education of military dependents in Hawaii's schools who have special needs to cover the total cost of services required under federal laws and the Felix consent decree; and
  - (b) An increase in the Impact Aid formula that better reflects the true cost of educating federally-connected students in Hawaii;

- (2) Providing that certified copies of the resolution be transmitted to members of Hawaii's Congressional Delegation, the Governor, the Chairperson of the Board of Education, the Superintendent of Education, and the Director of Health; and
- (3) Amending the title to read: "REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO OBTAIN ADDITIONAL FEDERAL FUNDS FOR THE EDUCATION OF MILITARY DEPENDENTS."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 11, H.D. 2.

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

**SCRep. 1606                      Education on H.C.R. No. 8**

The purpose of this concurrent resolution is to request the Department of Education, the Board of Education, the Department of Budget and Finance, Hawaii's Congressional Delegation, parents of federally-connected children, and faculty of affected schools to work cooperatively to:

- (1) Increase the amount of Federal Impact Aid awarded to Hawaii;
- (2) Seek alternative funding sources for the education of federally-connected special needs students;
- (3) Determine how such moneys are disbursed;
- (4) Examine ways to direct Federal Impact Aid moneys to the affected schools, instead of the State general fund; and
- (5) Ensure that parents of federally-connected children have ready access to information regarding the public school education of their children, with a focus on specific ways these parents can become involved in the decision-making process.

The Department of Education (DOE) testified in support of the intent of the measure. The Department of Budget and Finance (B&F) testified that Impact Aid funds are a reimbursement to the State, and that they are not deposited to the state general fund but retained by the DOE for general educational expenses. Both DOE and B&F noted that, historically, the DOE has used the Impact Aid funds for teacher salaries and fringe benefits for regular and special education teachers.

Your Committee finds that, because Hawaii is required to educate a disproportionate share of military dependents who, by federal law, qualify for free and appropriate education, efforts to increase the Impact Aid level of funding are crucial.

Your Committee has amended this concurrent resolution by:

- (1) Deleting the contents of the resolution and replacing it with language that requests Hawaii's Congressional Delegation to vigorously pursue and obtain:
  - (a) An increase in federal funding for the education of military dependents in Hawaii's schools who have special needs to cover the total cost of services required under federal laws and the Felix consent decree; and
  - (b) An increase in the Impact Aid formula that better reflects the true cost of educating federally-connected students in Hawaii;
- (2) Providing that certified copies of the resolution be transmitted to members of Hawaii's Congressional Delegation, the Governor, the Chairperson of the Board of Education, the Superintendent of Education, and the Director of Health; and
- (3) Amending the title to read: "REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO OBTAIN ADDITIONAL FEDERAL FUNDS FOR THE EDUCATION OF MILITARY DEPENDENTS."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 8, H.D. 2.

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

**SCRep. 1607                      Consumer Protection and Commerce on H.C.R. No. 34**

The purpose of this concurrent resolution is to request the Auditor to study the social and financial impact of requiring insurance coverage, not as an employer option, for the subscriber or any dependent of the subscriber who is covered by the policy, for the following services:

- (1) Bone mass measurement and hormone replacement therapy in connection with osteoporosis;

- (2) Annual mammograms for women aged forty and over;
- (3) Cervical cytology screening for women aged eighteen and over; and
- (4) Direct access to twice-yearly obstetric and gynecological services.

The Hawaii State Commission on the Status of Women testified in support of this concurrent resolution, citing statistical data on osteoporosis, breast cancer, cervical cancer, endometrial cancer, and ovarian cancer, which data highlight the value and benefits of prevention and early detection of these diseases.

Your Committee believes that there is an unquestionable value to effective early detection screenings and preventive therapies, not only for preserving and enhancing the health and lives of individual women, but also for preserving the well-being of our society in general. The societal repercussions could reach many levels, from the potential savings in health care costs to the avoidance of social disruptions within families, among friends, and in the workplace. Your Committee finds that the requested study by the Auditor would facilitate and expedite the legislature's ability to design optimal health insurance legislation for these screenings and preventive therapies that are so important to women.

Your Committee has amended the concurrent resolution to make technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 34, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1608 Energy and Environmental Protection on H.R. No. 230**

The purpose of this resolution is to request the Hawaii Forestry and Communities Executive Council and the Department of Health to convene a meeting--including all affected stakeholders--to consider regulatory, policy, fiscal and human resources that would be required to attract carbon investments into the state.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Trees For Life, and the Department of Labor and Industrial Relations.

The concept of carbon credits was initiated at the Kyoto Protocol, where it was acknowledged that carbon sinks could greatly aid in offsetting global warming. Carbon sinks include newly-planted and existing forests in which trees absorb carbon dioxide from the atmosphere and store or "sequester" it in a solid form as wood.

Currently, numerous companies are investing in carbon offset forestry (COF) projects. The State of Hawaii, with its unique geography and warm climate, has an opportunity to establish COF projects that demonstrate management of forests for: carbon sequestration, thereby mitigating global warming; sustainable forestry industries; and restoration of native forests.

Hawaii is presently a member-state to the Pacific NorthWest Carbon Sequestration Coalition, which seeks to provide carbon sequestration projects--which are described in this resolution-- to buyers of carbon credits.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 230, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Schatz and Takumi.

**SCRep. 1609 Education on H.C.R. No. 167**

The purpose of this measure is to request the Board of Education to establish a community service requirement for graduation from high school and to direct the Superintendent of Education to develop community service programs to meet this requirement.

In addition, this measure requests the Board of Education to submit a status report to the Legislature on the adoption of a policy requiring students to perform community service in order to graduate from high school prior to the convening of each regular session until the Board adopts the policy.

Your Committee received testimony from the Department of Education supporting the intent of community service programs but disagreeing that community service should be mandated for graduation from high school.

Your Committee finds that the latest trend in education is to incorporate service learning or community service into the curriculum. The philosophy behind service learning is that students learn by doing--a theory that underlies a lot of the education reform movement.

Through community service, students not only learn about their communities, but the communities also benefit from the service. In addition, the students experience the satisfaction of making a meaningful contribution to their communities, and the communities come to realize that the students have a meaningful contribution to make to society as a whole.

Your Committee also finds that several hundred mainland school districts now mandate community service, and that the Board of Education has the power, in accordance with law, to formulate statewide educational policy--including requirements for graduation from high school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1610                      Education on H.C.R. No. 231**

The purpose of this Concurrent Resolution is to request the Department of Accounting and General Services to study the feasibility of using ice storage systems to cool public school buildings.

Comments were received from the Department of Accounting and General Services and the Department of Education. Testimony in support of the resolution was received from Hawaiian Electric Company and five private companies associated with construction or air conditioning.

Your Committee finds that optimal learning conditions in the public schools require physically pleasant and comfortable surroundings such as air conditioned classrooms. However, the cost of traditional air conditioning could prove to be cost-prohibitive. Accordingly, alternative cooling systems should be considered in order to achieve the same beneficial end of optimal learning conditions.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 231, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1611                      Education on H.C.R. No. 234**

The purpose of this concurrent resolution is to request the Kamehameha Schools/Bernice Pauahi Bishop Estate to conduct a feasibility study on establishing an elementary school on the island of Kauai.

Your Committee finds that of all the major island counties of the State, Kauai lacks a major Kamehameha Schools/Bernice Pauahi Bishop Estate presence. Your Committee further finds that having a Kamehameha Schools campus serves as a source of role models, in terms of teachers and contemporaries (students), and gives Hawaiian youngsters educational goals that may be lacking in the public school system. It would also allow Kauai students to attend a Kamehameha Schools/Bernice Pauahi Bishop Estate school without having to board at the Oahu campus. There are many factors that influence a youngster's positive educational experience and for young Hawaiians, the benefits of attending a school established especially for them should be a source of pride and accomplishment.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 234, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1612                      Education on H.R. No. 114**

The purpose of this resolution is to request the Department of Education to develop standards and benchmarks for physical fitness and to perform periodic physical fitness assessments of public elementary and secondary school students.

This resolution also requests the assistance of the Department of Health, the University of Hawaii, the county Departments of Parks and Recreation, the Division of Parks and Recreation of the County of Kauai, the Hawaii Recreation and Parks Association, and the Hawaii Chapter of the American Academy of Pediatricians. The Department of Education is requested to submit the standards and benchmarks for physical fitness and a schedule for performing periodic physical fitness assessments of public elementary and secondary school students to the Legislature not less than twenty days prior to the convening of the Regular Session of 2001, or sooner.

Your Committee received testimony in support of this resolution from the Department of Education and the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114, and recommends that it be referred to the Committee on Finance.

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



**SCRep. 1613 Education on H.C.R. No. 127**

The purpose of this concurrent resolution is to request the Department of Education to develop standards and benchmarks for physical fitness and to perform periodic physical fitness assessments of public elementary and secondary school students.

This concurrent resolution also requests the assistance of the Department of Health, the University of Hawaii, the county Departments of Parks and Recreation, the Division of Parks and Recreation of the County of Kauai, the Hawaii Recreation and Parks Association, and the Hawaii Chapter of the American Academy of Pediatricians. The Department of Education is requested to submit the standards and benchmarks for physical fitness and a schedule for performing periodic physical fitness assessments of public elementary and secondary school students to the Legislature not less than twenty days prior to the convening of the Regular Session of 2001, or sooner.

Your Committee received testimony in support of this concurrent resolution from the Department of Education and the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1614 Education on H.R. No. 165**

The purpose of this Resolution is to request the Board and the Department of Education to adopt a computer equipment leasing policy rather than purchasing policy for the schools.

Your Committee received testimony in support of the Resolution from the Superintendent of Education.

Your Committee finds that the keeping up with computer technology in the schools is a cumbersome process. Much of the equipment purchased for the education of students is obsolete within three years. Your Committee finds that adopting a leasing policy with regard to providing computers in the schools is an attractive alternative to purchasing the equipment. Your Committee finds that leasing computers offers more equipment right away, improves the student-to-computer ratio more quickly, and keeps the equipment current through negotiating mid-term swapping out of older equipment.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 165, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1615 Education on H.C.R. No. 180**

The purpose of this Concurrent Resolution is to request the Board and the Department of Education to adopt a computer equipment leasing policy rather than purchasing policy for the schools.

Your Committee received testimony in support of the Concurrent Resolution from the Superintendent of Education.

Your Committee finds that the keeping up with computer technology in the schools is a cumbersome process. Much of the equipment purchased for the education of students is obsolete within three years. Your Committee finds that adopting a leasing policy with regard to providing computers in the schools is an attractive alternative to purchasing the equipment. Your Committee finds that leasing computers offers more equipment right away, improves the student-to-computer ratio more quickly, and keeps the equipment current through negotiating mid-term swapping out of older equipment.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 180, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1616 Education and Health on H.R. No. 204**

The purpose of this resolution is to provide opportunities for employees to participate fully in the development of Individualized Education Programs (IEPs) for their children with disabilities.

Information Services testified in support of the measure. The Department of Education (DOE) testified that it appreciates the Legislature's efforts to enable employees to participate fully in the development of IEPs for their children with disabilities.

Your Committees find that while 1990 Administrative Directive No. 90-17 (Directive) currently exists to permit parents who are state employees to attend school conferences, there are many other parents who are not state employees and to whom the Directive does not apply. In addition, the development of IEPs for children with disabilities normally requires more time than the permissible administrative time off pursuant to the Directive.

Your Committees also find that the proposed joint committee, to be composed of members of the business community and the DOE, will be a useful vehicle to come to grips with the issues that impede the necessary involvement of parents in the development of IEPs.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 204, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Arakaki, Kawakami, Lee and Morihara.

**SCRep. 1617                      Education and Health on H.C.R. No. 235**

The purpose of this concurrent resolution is to provide opportunities for employees to participate fully in the development of Individualized Education Programs (IEPs) for their children with disabilities.

Information Services testified in support of the measure. The Department of Education (DOE) testified that it appreciates the Legislature's efforts to enable employees to participate fully in the development of IEPs for their children with disabilities.

Your Committees find that while 1990 Administrative Directive No. 90-17 (Directive) currently exists to permit parents who are state employees to attend school conferences, there are many other parents who are not state employees and to whom the Directive does not apply. In addition, the development of IEPs for children with disabilities normally requires more time than the permissible administrative time off pursuant to the Directive.

Your Committees also find that the proposed joint committee, to be composed of members of the business community and the DOE, will be a useful vehicle to come to grips with the issues that impede the necessary involvement of parents in the development of IEPs.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 235, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Arakaki, Kawakami, Lee and Morihara.

**SCRep. 1618                      Education and Health on H.R. No. 66**

The purpose of this resolution is to establish a Joint Legislative Committee on Child and Adolescent Mental Health to monitor State efforts to comply with the Felix v. Cayetano consent decree.

The Department of Education (DOE) submitted testimony in support of the resolution. The Department of Health (DOH) testified in support of the intent of the measure, but with strong reservations.

Your Committees appreciate the concerns expressed by DOH, specifically that the committee may require departmental staff resources that may deter it from achieving compliance with the consent decree. In addition, DOH expressed concerns about potential costs, such as those for panel members, for which DOH has not budgeted.

However, as the body responsible for oversight of State efforts to comply with the consent decree, the Legislature is deeply concerned about the way in which the DOE and DOH have proceeded in attempting to comply with the consent decree. The report entitled, "Assessment of the State's Efforts Related to the Felix Consent Decree," submitted by the Auditor in December, 1998, made a number of revealing findings.

The report focused on the DOE and DOH, asserting that the State failed several times to ensure that requirements of the consent decree were clear, so compliance with the consent decree has become a moving target. A primary problem is the State's failure to develop a working definition of the Felix class of children. In addition, staff from DOE and DOH interpret Felix differently, leading to difficulties in consistently identifying which children should be served and whether children receiving Felix services are actually eligible for those services.

Furthermore, according to the Auditor, the State does not clearly and accurately identify funding related to the consent decree, partly because affected agencies disagree about which children compose the Felix class and how to report Felix-related expenditures. The lack of complete and accurate cost figures prevents the Department of Budget and Finance from ensuring that public funds are expended effectively.

Despite improvements in some areas, the Auditor found that there are still delays in mental health evaluations, excessive paperwork, an insufficient care coordination policy, no coordinated management information system, and poor monitoring of service quality. Overall, the State's efforts are uncoordinated and poorly implemented.

In light of the findings by the Auditor and the large amounts of funding directed towards compliance with the consent decree, your Committees agree that State efforts in this area should be monitored more closely. This resolution creates the mechanism of a joint legislative committee to accomplish that.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 66, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Arakaki, Kahikina, Kawakami, Lee and Morihara.

**SCRep. 1619 Education and Health on H.C.R. No. 79**

The purpose of this concurrent resolution is to establish a Joint Legislative Committee on Child and Adolescent Mental Health to monitor State efforts to comply with the Felix v. Cayetano consent decree.

The Department of Education (DOE) submitted testimony in support of the concurrent resolution. The Department of Health (DOH) testified in support of the intent of the measure, but with strong reservations.

Your Committees appreciate the concerns expressed by DOH, specifically that the committee may require departmental staff resources that may deter it from achieving compliance with the consent decree. In addition, DOH expressed concerns about potential costs, such as those for panel members, for which DOH has not budgeted.

However, as the body responsible for oversight of State efforts to comply with the consent decree, the Legislature is deeply concerned about the way in which the DOE and DOH have proceeded in attempting to comply with the consent decree. The report entitled, "Assessment of the State's Efforts Related to the Felix Consent Decree," submitted by the Auditor in December, 1998, made a number of revealing findings.

The report focused on the DOE and DOH, asserting that the State failed several times to ensure that requirements of the consent decree were clear, so compliance with the consent decree has become a moving target. A primary problem is the State's failure to develop a working definition of the Felix class of children. In addition, staff from DOE and DOH interpret Felix differently, leading to difficulties in consistently identifying which children should be served and whether children receiving Felix services are actually eligible for those services.

Furthermore, according to the Auditor, the State does not clearly and accurately identify funding related to the consent decree, partly because affected agencies disagree about which children compose the Felix class and how to report Felix-related expenditures. The lack of complete and accurate cost figures prevents the Department of Budget and Finance from ensuring that public funds are expended effectively.

Despite improvements in some areas, the Auditor found that there are still delays in mental health evaluations, excessive paperwork, an insufficient care coordination policy, no coordinated management information system, and poor monitoring of service quality. Overall, the State's efforts are uncoordinated and poorly implemented.

In light of the findings by the Auditor and the large amounts of funding directed towards compliance with the consent decree, your Committees agree that State efforts in this area should be monitored more closely. This resolution creates the mechanism of a joint legislative committee to accomplish that.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 79, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Arakaki, Kahikina, Kawakami, Lee and Morihara.

**SCRep. 1620 Energy and Environmental Protection on H.R. No. 225**

The purpose of this resolution is to encourage more deliberate discussions on the implications of various bills relating to environmental assessments (EA) and environmental impact statements (EIS) by requesting the University of Hawaii's Environmental Center (EC) to convene an advisory task force over the interim for this purpose.

This session, several proposals were introduced that attempted to remedy various perceived deficiencies in the EA and EIS requirements and procedures, including proposals to:

- (1) Repeal the individual actions which trigger the preparation of an EA;
- (2) Extend the time available for public review of and comment on EAs and EISs;
- (3) Require EAs and EISs to consider the adverse effects of proposed actions on cultural practices; and
- (4) Require the preparation an an EA for any proposed use of land when the use is subject to discretionary approval by a state or county agency.

The findings and recommendations of the advisory task force are to be submitted to the Legislature prior to the convening of the Regular Session of 2000.

The Office of Hawaiian Affairs, the Land Use Research Foundation of Hawaii, and Life of the Land testified in support of this measure. The Hawaiian Electric Company, and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company, supported the intent of this measure, and the EC offered comments.

Your Committee has amended this measure by:

- (1) Naming the Department of Health and legislative staff to assist the EC in the undertaking; and
- (2) Making technical, nonsubstantive revisions for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 225, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Kanoho and Meyer.

**SCRep. 1621                      Energy and Environmental Protection on H.C.R. No. 256**

The purpose of this concurrent resolution is to encourage more deliberate discussions on the implications of various bills relating to environmental assessments (EA) and environmental impact statements (EIS) by requesting the University of Hawaii's Environmental Center (EC) to convene an advisory task force over the interim for this purpose.

This session, several proposals were introduced that attempted to remedy various perceived deficiencies in the EA and EIS requirements and procedures, including proposals to:

- (1) Repeal the individual actions which trigger the preparation of an EA;
- (2) Extend the time available for public review of and comment on EAs and EISs;
- (3) Require EAs and EISs to consider the adverse effects of proposed actions on cultural practices; and
- (4) Require the preparation an an EA for any proposed use of land when the use is subject to discretionary approval by a state or county agency.

The findings and recommendations of the advisory task force are to be submitted to the Legislature prior to the convening of the Regular Session of 2000.

The Office of Hawaiian Affairs, the Land Use Research Foundation of Hawaii, and Life of the Land testified in support of this measure. The Hawaiian Electric Company, and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company, supported the intent of this measure, and the EC offered comments.

Your Committee has amended this measure by:

- (1) Naming the Department of Health and legislative staff to assist the EC in the undertaking; and
- (2) Making technical, nonsubstantive revisions for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 256, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 256, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Kanoho and Meyer.

**SCRep. 1622                      Education on H.C.R. No. 53**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to create alternatives for students attending multi-track schools during interim periods.

An individual submitted testimony in support of the concurrent resolution. The Hawaii State Teachers Association supported the intent of the measure. The Department of Education commented on it.

Your Committee finds that most schools with traditional calendars have programs during the summer interim that are available to students, usually for a fee. For many families, these programs provide learning opportunities when children would otherwise be unsupervised. The DOE has an obligation to create the same kinds of programs at multi-track schools for students who are "off track."

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1623 Education on H.C.R. No. 168**

The purpose of this concurrent resolution is to request the Board of Education to devise policies to strengthen parental involvement with their children's education.

Your Committee finds that research shows that parental involvement in education is the primary influence on children's motivation to learn and has a major impact on their attitude about school. The Department of Education is operating several programs that partially address this issue, and also operates two R.E.A.L. (Resources and Early Access to Learning) programs to strengthen the parent-child-school connection. Further integration of this concept into every public school is necessary for optimum student development.

Your Committee received testimony in support of the concurrent resolution from the Hawaii State Teacher's Association and one individual, and testimony concurring with the intent of the concurrent resolution from the Superintendent of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 168, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1624 Education and Labor and Public Employment on H.R. No. 129**

The purpose of this resolution is to request the Legislative Reference Bureau (LRB) to:

- (1) Study the inequities in the salaries of educational officers; and
- (2) Develop a fair salary schedule for educational officers.

The Department of Education (DOE) testified in support of the measure. The Hawaii Government Employees Association (HGEA) testified in support of the intent of the measure, but requested that the study be a joint study between the HGEA and the DOE, rather than the LRB. An educational officer submitted comments.

Your Committees find that the issue of salary equity for educational officers is a complex one and requires a careful study of salary administration laws and regulations, the collective bargaining contract, and classification and compensation plans for educational officers.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 129, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Hamakawa, Hiraki, Morihara and Santiago.

**SCRep. 1625 Education and Labor and Public Employment on H.C.R. No. 138**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to:

- (1) Study the inequities in the salaries of educational officers; and
- (2) Develop a fair salary schedule for educational officers.

The Department of Education (DOE) testified in support of the measure. The Hawaii Government Employees Association (HGEA) testified in support of the intent of the measure, but requested that the study be a joint study between the HGEA and the DOE, rather than the LRB. An educational officer submitted comments.

Your Committees find that the issue of salary equity for educational officers is a complex one and requires a careful study of salary administration laws and regulations, the collective bargaining contract, and classification and compensation plans for educational officers.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 138, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Okamura, Hamakawa, Hiraki, Morihara and Santiago.

**SCRep. 1626 Education and Labor and Public Employment on H.R. No. 130**

The purpose of this resolution is to require the Department of Education (DOE) and the Athletic Directors and Coaches Association (ADCA) to develop a proposed compensation schedule for high school coaches.

The DOE and ADCA testified in support of this measure. The Hawaii State Teachers Association (HSTA) testified that it had strong concerns about the measure, stating that the issue of athletic coaches' salary schedules has traditionally been an issue considered by the collective bargaining team.

Your Committees have amended this resolution by:

- (1) Requesting HSTA to work with the DOE and ADCA to develop a proposed compensation schedule for high school coaches;
- (2) Directing that a certified copy of this resolution also be transmitted to HSTA;
- (3) Amending the title to read: "REQUESTING THE DEPARTMENT OF EDUCATION, THE ATHLETIC DIRECTORS AND COACHES ASSOCIATION, AND THE HAWAII STATE TEACHERS ASSOCIATION TO DEVELOP A PROPOSED COMPENSATION SCHEDULE FOR HIGH SCHOOL COACHES"; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 130, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 130, H.D. 1.

Signed by all members of the Committees except Representatives Okamura, Hamakawa, Hiraki, Morihara and Santiago.

**SCRep. 1627 Education and Labor and Public Employment on H.C.R. No. 139**

The purpose of this concurrent resolution is to require the Department of Education (DOE) and the Athletic Directors and Coaches Association (ADCA) to develop a proposed compensation schedule for high school coaches.

The DOE and ADCA testified in support of this measure. The Hawaii State Teachers Association (HSTA) testified that it had strong concerns about the measure, stating that the issue of athletic coaches' salary schedules has traditionally been an issue considered by the collective bargaining team.

Your Committees have amended this concurrent resolution by:

- (1) Requesting HSTA to work with the DOE and ADCA to develop a proposed compensation schedule for high school coaches;
- (2) Directing that a certified copy of this concurrent resolution also be transmitted to HSTA;
- (3) Amending the title to read: "REQUESTING THE DEPARTMENT OF EDUCATION, THE ATHLETIC DIRECTORS AND COACHES ASSOCIATION, AND THE HAWAII STATE TEACHERS ASSOCIATION TO DEVELOP A PROPOSED COMPENSATION SCHEDULE FOR HIGH SCHOOL COACHES"; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 139, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 139, H.D. 1.

Signed by all members of the Committees except Representatives Okamura, Hamakawa, Hiraki, Morihara and Santiago.

**SCRep. 1628 Transportation on H.R. No. 154**

The purpose of this House Resolution is to reduce delays for motorists in reaching their destinations.

Your Committee finds that motorists often encounter delays in reaching their destinations because of unforeseen accidents and other conditions which impede movements of vehicles. Your Committee further finds that a traffic hotline would keep motorists informed about hazardous traffic conditions, permitting them to seek alternative routes in reaching their destinations.

This House Resolution requests the Department of Transportation to study the feasibility of establishing an all-traffic radio station and traffic hotline to provide up-to-the-minute traffic information for motorists throughout the State, and to submit its findings and recommendations to the Legislature not less than twenty days before the convening of the 2000 Regular Session.



The purpose of this House Concurrent Resolution is to reduce and stabilize airport user costs for airport carriers.

Your Committee is aware that air transportation for our island State is very essential for the travels of residents, for the import and export of goods, and for the arrivals and departures of millions of vacationing tourists, who serve as the backbone of our economy. Your Committee finds that low and stable landing fees and other charges encourage present air carriers to add more flights, and new carriers to provide air service for our State. Your Committee further finds that the State and the air carriers must work closely together in establishing the amounts of landing fees and other charges for their mutual benefit.

This House Concurrent Resolution requests the Department of Transportation, Airports Division, and the Department of Budget and Finance to work closely with the air carrier industry to develop strategies to effectively reduce airport system costs, and that these Departments report their findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2000.

Testimonies in support of this House Concurrent Resolution were received from the Department of Transportation, the Department of Budget and Finance, and the Airlines Committee of Hawaii, representing 22 air carriers serving the State of Hawaii.

Your Committee has amended this House Concurrent Resolution by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 220, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 220, H.D. 1.

Signed by all members of the Committee except Representatives Goodenow, Nakasone, Okamura and Yoshinaga.

**SCRep. 1632                      Agriculture on H.R. No. 57**

The purpose of this resolution is to urge the Department of Agriculture (DOA) with assistance from the Department of Business, Economic Development, and Tourism (DBEDT), and the Extension Service of the University of Hawaii to develop a coordinated plan to provide assistance and support to citizen gardeners who may be interested in forming community-based home organic produce cooperatives.

The Department of Agriculture (DOA) and the University of Hawaii College of Tropical Agriculture & Human Resources (CTAHR) testified in support of the intent of this resolution.

Your Committee finds that citizens of the State who grow fruits and vegetables in gardens at their residence for their own consumption often have a surplus of their produce and that these surpluses could be sold in the local market if a cooperatives could be formed to educate, advise and assist home gardeners on how to grow and market their surplus produce to the general public.

Your Committee has amended this resolution to add definition of "organic" and "organic produce" in accordance with the United States Department of Agriculture (USDA) National Organic Program Federal Regulation when it is adopted so that produce grown conform with industry standards, particularly if they are going to be marketed as such.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1633                      Agriculture on H.C.R. No. 68**

The purpose of this concurrent resolution is to urge the Department of Agriculture (DOA) with assistance from the Department of Business, Economic Development, and Tourism (DBEDT), and the Extension Service of the University of Hawaii to develop a coordinated plan to provide assistance and support to citizen gardeners who may be interested in forming community-based home organic produce cooperatives.

The Department of Agriculture (DOA) and the University of Hawaii College of Tropical Agriculture & Human Resources (CTAHR) testified in support of the intent of this measure.

Your Committee finds that citizens of the State who grow fruits and vegetables in gardens at their residence for their own consumption often have a surplus of their produce and that these surpluses could be sold in the local market if a cooperatives could be formed to educate, advise and assist home gardeners on how to grow and market their surplus produce to the general public.

Your Committee has amended this resolution to add definition of "organic" and "organic produce" in accordance with the United States Department of Agriculture (USDA) National Organic Program Federal Regulation when it is adopted so that produce grown conform with industry standards, particularly if they are going to be marketed as such.



As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 68, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Ito and Morihara.

**SCRep. 1634                    Agriculture and Economic Development and Business Concerns on H.R. No. 186**

The purpose of this resolution is to encourage the Department of Agriculture (DOA) and the Department of Business, Economic Development, and Tourism (DBEDT) to develop a plan to cultivate agricultural crops and products to promote the concept of Hawaii as "The Health State."

DBEDT and DOA testified in support of the intent of this resolution.

With the demise of the sugar and pineapple industries, Hawaii needs new areas of economic development. Your Committees find that existing dormant agricultural lands may be used to promote the concept of Hawaii as "The Health State," by encouraging the cultivation of health food and products, such as, herbs, vitamins, aloe shampoos, lotions, and medications. Your Committees further find that by promoting Hawaii as "The Health State," an entirely new health industry may be developed in the state.

Upon further consideration, your Committees have amended this measure by making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 186, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 186, H.D. 1.

Signed by all members of the Committees except Representatives Ito and Morihara.

**SCRep. 1635                    Agriculture and Economic Development and Business Concerns on H.C.R. No. 205**

The purpose of this concurrent resolution is to encourage the Department of Agriculture (DOA) and the Department of Business, Economic Development, and Tourism (DBEDT) to develop a plan to cultivate agricultural crops and products to promote the concept of Hawaii as "The Health State."

DBEDT and DOA testified in support of the intent of this concurrent resolution.

With the demise of the sugar and pineapple industries, Hawaii needs new areas of economic development. Your Committees find that existing dormant agricultural lands may be used to promote the concept of Hawaii as "The Health State," by encouraging the cultivation of health food and products, such as, herbs, vitamins, aloe shampoos, lotions, and medications. Your Committees further find that by promoting Hawaii as "The Health State," an entirely new health industry may be developed in the state.

Upon further consideration, your Committees have amended this measure by making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 205, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 205, H.D. 1.

Signed by all members of the Committees except Representatives Ito and Morihara.

**SCRep. 1636                    Agriculture and Energy and Environmental Protection on H.R. No. 109**

The purpose of this resolution is to request the United States Department of Agriculture, Natural Resources Conservation Service to recommend the use of hemp fiber soil erosion control blankets whenever feasible.

Your Committees find that industrial hemp fiber is an excellent material for soil erosion control, soil stabilization and mulching applications. The hemp fiber is a degradable textile that can halt soil erosion caused by wind and rain and is a suitable environment for revegetation, by retaining moisture and providing a protected environment for seed germination and plant growth. This natural revegetation will develop fertile grasslands and contribute to good soil as the matting slowly degrades.

JB Plant Fibres submitted testimony in support of this resolution. The Honolulu Police Department opposed this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.R. No. 109 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Ito, Morihara and Halford.

**SCRep. 1637                    Agriculture and Energy and Environmental Protection on H.C.R. No. 122**

The purpose of this concurrent resolution is to request the United States Department of Agriculture, Natural Resources Conservation Service to recommend the use of hemp fiber soil erosion control blankets whenever feasible.

Your Committees find that industrial hemp fiber is an excellent material for soil erosion control, soil stabilization and mulching applications. The hemp fiber is a degradable textile that can halt soil erosion caused by wind and rain and is a suitable environment for revegetation, by retaining moisture and providing a protected environment for seed germination and plant growth. This natural revegetation will develop fertile grasslands and contribute to good soil as the matting slowly degrades.

JB Plant Fibres submitted testimony in support of this concurrent resolution. The Honolulu Police Department opposed this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy and Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 122, and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committees except Representatives Ito, Morihara and Halford.

**SCRep. 1638                    Human Services and Housing and Health on H.C.R. No. 181**

The purpose of this concurrent resolution is to prevent possible disruption to patient services by requesting the Department of Health (DOH) to monitor all hospital and health care facilities, health care providers, and pharmacies in the State, including DOH's own operations and programs, to ensure that they have been made Year 2000 compliant or have made provisions to achieve Year 2000 compliance.

DOH commented on this measure, stating that DOH started its Year 2000 compliance program in 1996 and is nearly finished with its activities to remediate any noncompliant system or situation within DOH related to microprocessor problems with the Year 2000 date. However, DOH testified that they lack the necessary resources to monitor the Year 2000 compliance activities of all private facilities in the State.

Your Committees are sensitive to the additional funds needed to comply with this request, and therefore, encourages DOH to collaborate with the Healthcare Association of Hawaii and pharmaceutical associations and distributors to complete the scope of this concurrent resolution. Your Committees have also requested from DOH the probable cost of monitoring the Year 2000 compliance activities of all private health care facilities in the State.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 181, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Lee, Stegmaier and McDermott.

**SCRep. 1639                    Human Services and Housing and Labor and Public Employment on H.R. No. 113**

The purpose of this resolution is to determine the magnitude of Hawaii's hunger and food insecurity problem by requesting the Office of Community Services (OCS) to convene a Hunger and Food Security Task Force (Task Force) to develop a system of providing valid and reliable estimates of hunger and food insecurity.

The Maui Food Bank and Grace Bible Church testified in support of this measure. The University of Hawaii's College of Social Sciences and College of Tropical Agriculture and Human Resources, OCS, and the Hawaii Food Bank commented on this measure.

Your Committees find that to be able to formulate sound policies to deal with the need for food assistance, the State must have a valid and reliable means of determining the magnitude of its food insecurity problem. The Task Force is an attempt to address this issue.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 113, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Lee, Nakasone, Okamura, Stegmaier, Yoshinaga and McDermott.

**SCRep. 1640                    Human Services and Housing and Labor and Public Employment on H.C.R. No. 126**

The purpose of this concurrent resolution is to determine the magnitude of Hawaii's hunger and food insecurity problem by requesting the Office of Community Services (OCS) to convene a Hunger and Food Security Task Force (Task Force) to develop a system of providing valid and reliable estimates of hunger and food insecurity.

The Maui Food Bank and Grace Bible Church testified in support of this measure. The University of Hawaii's College of Social Sciences and College of Tropical Agriculture and Human Resources, OCS, and the Hawaii Food Bank commented on this measure.

Your Committees find that to be able to formulate sound policies to deal with the need for food assistance, the State must have a valid and reliable means of determining the magnitude of its food insecurity problem. The Task Force is an attempt to address this issue.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Labor and Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 126, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Lee, Nakasone, Okamura, Stegmaier, Yoshinaga and McDermott.

**SCRep. 1641 Consumer Protection and Commerce on H.C.R. No. 66**

The purpose of this concurrent resolution is to request that the Department of Commerce and Consumer Affairs (DCCA), in conjunction with the Legislative Reference Bureau (LRB), conduct a study of discriminatory pricing practices by entities engaged in business within the State, and take action to prohibit these practices.

DCCA, Hawaii State Commission on the Status of Women (HSCSW) and the Hawai'i Civil Rights Commission (HCRC) supported the intent of the concurrent resolution, and suggested amendments.

DCCA requested that LRB be substituted as the most appropriate lead agency for the study.

Your Committee heard testimony by HSCSW that gender discrimination in pricing is already prohibited under section 489-3, Hawaii Revised Statutes (HRS). HSCSW's suggested amendments include:

- (1) Substituting the Civil Rights Commission for DCCA as enforcement agency, to reflect the Commission's current responsibilities under the law;
- (2) Requesting that the Legislative Auditor rather than LRB conduct the study; and
- (3) Including HSCSW in the list of those to be sent a certified copy of this concurrent resolution.

HCRC testified that they had accepted and investigated complaints of gender-based discrimination under the discriminatory pricing provisions of the Public Accommodations law, Chapter 489, HRS, which fall under the scope of the HCRC's jurisdiction.

Upon reflection, your Committee has amended this concurrent resolution as suggested by HSCSW. Your Committee has also amended this resolution to restrict the study to discriminatory pricing practices in the provision of services, for practical reasons.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 66, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1642 Consumer Protection and Commerce on H.C.R. No. 105**

The purpose of this concurrent resolution is to request the task force established by Act 178, Session Laws of Hawaii 1998, to study the advisability and feasibility of creating a data bank with provider information for access by health care consumers.

The Hawaii Medical Service Association (HMSA) and the Hawaii Nurses' Association (HNA) testified in support of this concurrent resolution. The Insurance Commissioner of the Department of Commerce and Consumer Affairs stated a willingness to participate in the study requested by this concurrent resolution. The Hawaii Medical Association opposed this concurrent resolution, indicating its serious reservations about the kinds of information that would be included in a data bank, which could be extremely misleading as to a physician's degree of competency or skill.

HMSA testified that the selection of a health care provider is an important decision for a consumer, but that in Hawaii, there is no easily accessible source of information about the level of skill, education, experiences, and other relevant qualifications of health care providers. HMSA stated that Hawaii is one of only ten states that does not have some type of public distribution of provider performance data. HNA testified that the concurrent resolution would allow the systematic review and development of a bank of pertinent data for consumers that would reflect privacy concerns.

Your Committee has amended this concurrent resolution by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 105, H.D. 2.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1643 Consumer Protection and Commerce on H.C.R. No. 113**

The purpose of this concurrent resolution is to request that the Legislative Auditor (Auditor) prepare a report that assesses the social and financial effects of including marriage and family therapists as service providers under chapter 431M, Hawaii Revised Statutes (HRS).

Hawaii Biodyne testified in support of this measure. Hawaii Psychological Association commented on this measure.

Your Committee notes that the report by the Auditor is, under section 23-51, HRS, the necessary first step that must be taken toward including marriage and family therapists as service providers under chapter 431M, HRS. The Auditor's report will be of assistance to address concerns raised about the proper scope of service to be provided, as well as the potential cost impact of the legislation. Your Committee has amended this concurrent resolution by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Kaho'ohalahala, Rath and Thielen.

**SCRep. 1644 Consumer Protection and Commerce on H.C.R. No. 170**

The purpose of this concurrent resolution is to request that the Legislative Auditor (Auditor) conduct a study of the social and financial impacts of enacting a parity law requiring that insurance coverage for mental illness be equal to that for all other medical illnesses.

Your Committee received testimony in support of this concurrent resolution from the Department of Health and the Hawaii Medical Service Association. The Hawaii Psychological Association and Legislative Information Services of Hawaii, Inc., submitted testimony supporting this concurrent resolution and suggesting amendments. The Insurance Commissioner of the Department of Commerce and Consumer Affairs stated a willingness to cooperate if the concurrent resolution was adopted.

Your Committee notes that when the Legislature mandated a similar study by way of resolution in 1997, the Auditor's report in response, indicated difficulties in producing an analysis, in part, because of the lack of a definition for parity and the centrality of the term to the questions asked by the resolution. Your Committee understands that as written, this concurrent resolution would create many of the same impediments to productive reporting by the Auditor. Accordingly, your Committee has refocused this concurrent resolution on the populations that have mental health and substance abuse treatment needs that may not be adequately addressed under current levels of health coverage. The Auditor is requested to determine whether these groups exist, and if these groups do exist, to identify their needs and estimate the costs of providing any needed additional coverage based on an examination of this state's existing private health care programs, as well as comparisons with the approaches taken by other states to meeting the needs of this population.

Your Committee has also amended this concurrent resolution as suggested by testifiers, to request that the Auditor consult parties that would be affected by any resulting mandated coverage, and to remove references to public employee and public assistance policies. Your Committee further believes that once a study is conducted, liability for costs as well as any conflicts with the Employee Retirement Income Security Act may be clarified by request to appropriate agencies and entities.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 170, H.D. 1.

Signed by all members of the Committee except Representatives Cachola, Chang, Herkes, Rath, Thielen and Whalen.

**SCRep. 1645 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on H.C.R. No. 196**

The purpose of this concurrent resolution is to lay the groundwork for the establishment of legal protections for private, personal information, collected and disseminated by businesses, which protections will implement the constitutional right to privacy and are necessary to satisfy requirements for free exchange of information with the European Union. This concurrent resolution requests that the Office of Information Practices (OIP) study current and proposed privacy protections and make recommendations for future privacy legislation that will recognize and address the concerns of consumers, law enforcement professionals, businesses, and others.

Your Committees received testimony fully supporting this concurrent resolution from OIP. OIP testified that many businesses today rely heavily on personal information profiles. As a result, rapidly developing methods increasing the ability to collect and compile electronically stored personal information currently outpace the average consumer's ability to track and examine the information for accuracy, and protect their privacy. OIP testified that a proper balance must be found between the right of privacy and the needs of businesses, and that a survey among concerned citizens and interested groups regarding participation in this undertaking yielded a positive response.

Testimony stating concerns and comments and requesting involvement in the task force established by this concurrent resolution, was submitted by Associated Credit Bureaus, Inc., a trade association representing credit and mortgage reporting companies as well as collection and residential and employment screening companies.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 196 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Herkes, Yoshinaga, Pendleton, Rath, Thielen and Whalen.

**SCRep. 1646 Labor and Public Employment on H.R. No. 227**

The purpose of this resolution is to request the Department of Labor and Industrial Relations (DLIR) to conduct a study:

- (1) Regarding whether there is a history of discrimination against women or minority groups with regard to wages, assignment, or access to jobs, or other terms and conditions of employment; and
- (2) Regarding the demographic composition of the work force in equivalent jobs; provided that, for purposes of the study, "equivalent jobs" means jobs or occupations that are equal within the meaning of the Federal Equal Pay Act of 1963, 29 U.S.C. 206(d), or jobs or occupations that are dissimilar but whose requirements are equivalent, when viewed as a composite of skills, effort, responsibility, and working conditions.

The League of Women Voters of Hawaii, the Hawaii Women's and Business Community, and a member of the public testified in support of this measure. The Hawaii Civil Rights Commission testified in support of the intent of this measure. The Hawaii State Commission on the Status of Women testified in support of this measure with an amendment.

Upon further consideration, your Committee has amended this measure by specifying that a certified copy of this resolution is to be transmitted to the Hawaii State Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 227, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 227, H.D. 1.

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

**SCRep. 1647 Labor and Public Employment on H.C.R. No. 258**

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations (DLIR) to conduct a study:

- (1) Regarding whether there is a history of discrimination against women or minority groups with regard to wages, assignment, or access to jobs, or other terms and conditions of employment; and
- (2) Regarding the demographic composition of the work force in equivalent jobs; provided that, for purposes of the study, "equivalent jobs" means jobs or occupations that are equal within the meaning of the Federal Equal Pay Act of 1963, 29 U.S.C. 206(d), or jobs or occupations that are dissimilar but whose requirements are equivalent, when viewed as a composite of skills, effort, responsibility, and working conditions.

The League of Women Voters of Hawaii, the Hawaii Women's and Business Community, and a member of the public testified in support of this measure. The Hawaii Civil Rights Commission testified in support of the intent of this measure. The Hawaii State Commission on the Status of Women testified in support of this measure with an amendment.

Upon further consideration, your Committee has amended this measure by specifying that a certified copy of this concurrent resolution is to be transmitted to the Hawaii State Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 258, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 258, H.D. 1.

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