

COPY

EXECUTIVE CHAMBERS

HONOLULU

June 10, 1999

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1518

Honorable Members
Twentieth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1518, entitled "A Bill for an Act Relating to Government Operations."

The purpose of Senate Bill No. 1518 is to allow the actuarial investment earnings in excess of a ten percent actuarial investment yield from fiscal years 1996-1997 and 1997-1998 from the Employees' Retirement System be used to reduce the State's and the counties' contribution to the Employees' Retirement System for retirement costs for fiscal years 1999-2000 and 2000-2001. In addition, this bill appropriates state general funds to the counties for fiscal years 1998-1999, 1999-2000, and 2000-2001 for the collective bargaining costs of agreements negotiated with the Hawaii Government Employees Association and the United Public Workers. Moreover, this bill requires all state departments and agencies to identify their goals, objectives, and policies to provide a basis for determining priorities and allocating limited public funds and human resources.


While this bill as a whole has merit, I object to the general fund appropriations made to the counties in section 4 of this bill for fiscal years 1998-1999, 1999-2000, and 2000-2001 to assist the counties with their collective bargaining costs. The counties will realize a tremendous, one-time savings from the reduction in the amounts that they would have to pay to the Employees' Retirement System for retirement costs. As a matter of policy, it is wrong to use state tax dollars from the general fund to pay for county employees' raises. Counties are

responsible for funding collective bargaining costs for their employees. Furthermore, the general fund appropriations for fiscal year 1998-1999 have an effective date of July 1, 1999. Since the authorization to expend funds appropriated for fiscal year 1998-1999 expires at the end of that fiscal period on June 30, 1999, the authorization to expend the funds will expire on the day before these appropriations become effective.

Consequently, I have indicated my objections to the appropriations in section 4 of this bill by striking out the general fund appropriations for fiscal year 1998-1999 of \$2,133,499 for Maui County and \$154,500 for Kauai County; the general fund appropriations for fiscal year 1999-2000 of \$11,059,400 for the City and County of Honolulu, \$2,065,600 for Hawaii County, \$2,701,400 for Maui County, and \$858,900 for Kauai County; and the general fund appropriations for fiscal year 2000-2001 of \$11,059,400 for the City and County of Honolulu, \$2,065,600 for Hawaii County, \$2,701,400 for Maui County, and \$858,900 for Kauai County.

For the foregoing reasons, I am returning Senate Bill No. 1518 with the appropriations set forth above totaling \$2,287,999 for fiscal year 1998-1999, \$16,685,300 for fiscal year 1999-2000, and \$16,685,300 for fiscal year 2000-2001 stricken from section 4 of the bill.

Respectfully,


BENJAMIN J. CAYETANO
Governor of Hawaii

	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>
1			
2 City & County			
3 of Honolulu	-0-	11,059,400 (BJC)	11,059,400 (BJC)
4 Hawaii County	-0-	2,065,600 (BJC)	2,065,600 (BJC)
5 Maui County	2,133,499 (BJC)	2,701,400 (BJC)	2,701,400 (BJC)
6 Kauai County	154,500 (BJC)	858,900 (BJC)	858,900 (BJC)

7 SECTION 5. The sums appropriated shall be expended by the
8 respective counties for the purposes of this Act.

9 PART II

10 SECTION 6. The legislature finds that our state departments
11 and agencies should constantly be working towards improving the
12 effectiveness and efficiency of our government. Improving
13 government operations through strategic planning can result in
14 increased and more effective government programs and improved
15 coordination among different agencies and levels of government,
16 and optimal use of state funds and personnel.

17 The legislature believes that the development of goals and
18 objectives is essential for state departments and agencies to
19 determine priorities, guide their decisions, and measure the
20 effectiveness of their programs and services. Moreover, goals
21 and objectives would assist the legislature in evaluating the
22 budgetary needs of departments and agencies.

23 The legislature further finds that many of our State's
24 departments and agencies have not formally established goals and

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of his plan to return with his objections any bill presented to him less than ten days before adjournment sine die or presented to him after adjournment sine die of the Legislature; and

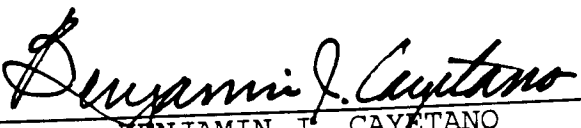
WHEREAS, Senate Bill No. 1518, entitled "A Bill for an Act Relating to Government Operations," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, under Section 16 of Article III, the Governor may veto any specific item or items in any bill that appropriates money for specific purposes by striking out or reducing the same; and

WHEREAS, Senate Bill No. 1518 appropriates money for specific purposes and certain appropriation items in that bill are unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1518, with my objections to certain appropriation items contained therein, to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 10th
day of June, 1999.



BENJAMIN J. CAYETANO
Governor of Hawaii