

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2003

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1305

Honorable Members  
Twenty-Second 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. 1305, entitled "A Bill for an Act Relating to State Funds."

The purpose of this bill is to appropriate moneys out of the Emergency and Budget Reserve Fund, established under section 328L-3, Hawaii Revised Statutes (HRS), to maintain levels of programs that the Legislature has determined to be essential to the public health, safety, and welfare. The bill also appropriates general revenues to develop a plan to implement the Hawaii Rx program.

While I believe many of the programs funded by this bill are worthwhile, the State's current fiscal condition cannot be ignored. The two-year budget recently passed by the Legislature is not balanced. The Legislature failed to include funding for the Hawaii Health System Corporation for the second year of the biennium. Such action would make sense only if one assumed that all state hospitals would be shut down one year from now. Because this assumption is not realistic, the budget passed by the Legislature is not fiscally sound.

The challenge presented by this budget increased after the Legislature adjourned when the Council on Revenues on May 16 reduced the revenue projection for the current year and the upcoming biennium by \$186.7 million. The combined impact of lower revenue projections and unrealistic assumptions by the Legislature has resulted in a budget deficit of more than \$230 million.

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The State must now make the hard choices to restrict spending and resist tax increases in order to create a healthy business climate that will lead to more and better-paying jobs and a quality standard of living for Hawaii's families. In short, we must begin to put our financial house back in order by doing all that we can to match recurring expenses with recurring revenues.

Decisions like the one to veto this bill are not easy, but they are necessary. Without fiscal discipline and prudent management of the budget now, it will be impossible to restore trust and integrity in government and expand and diversify the economy in the years ahead. This kind of tough decision is needed in order to achieve a true New Beginning for the people of Hawaii.

Use of the Emergency Budget and Reserve Fund bypasses the normal budget process and avoids the fiscal discipline of matching recurring expenses with recurring revenues. While the State is facing an unexpected reduction in revenues, prudent management of the State's budget requires that funds in the Emergency Budget and Reserve Fund be saved as much as possible for future needs. As such, there should be only sparing and judicious use of the Emergency Budget and Reserve Fund.

Under section 328L-3, HRS, the Emergency Budget and Reserve Fund shall be used as a "temporary" source of funding, and the Legislature may make appropriations from the Fund to "maintain levels of programs" determined to be "essential to public health, safety, welfare, and education."

For the reasons stated above, I object to the following appropriations in this bill:

1. \$200,000 appropriated pursuant to chapter 103F, HRS, to provide treatment services for child victims of intrafamilial sexual abuse in section 3, page 2 of the bill.

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2. \$150,000 appropriated pursuant to chapter 103F, HRS, for forensic medical examinations of children in foster custody placements in section 4, pages 2-3 of the bill.

3. \$100,000 appropriated as a grant to the Hawaii Youth Services Network in section 5, page 3 of the bill.

4. \$300,000 appropriated as a grant for the bridge to hope program in section 9, pages 4-5 of the bill.

5. \$200,000 appropriated as a grant to Volunteer Legal Services Hawaii in section 10, page 5 of the bill.

6. \$100,000 appropriated as a grant to fund the continuation of the Kaneohe Community Family Center's core services in section 11, pages 5-6 of the bill.

7. \$100,000 appropriated as a grant to fund the continuation of the Kuhio Park Terrace Family Center's core services in section 12, pages 6-7 of the bill.

8. \$300,000 appropriated as a grant for the operation of the Waipahu Community Adult Day Health Center and Youth Day Care Center pilot project in section 13, page 7 of the bill.

9. \$150,000 appropriated as a grant for the Domestic Violence Clearinghouse and Legal Hotline for Maui program services in section 14, pages 7-8 of the bill.

10. \$500,000 appropriated as a grant for existing Kalihi area youth service centers and other youth service centers in the State in section 17, page 9 of the bill. It should be noted that this appropriation violates section 42F-101, HRS, because the appropriation is not to a specified recipient.

11. \$750,000 appropriated as a subsidy to Molokai General Hospital in section 18, page 9 of the bill.

12. \$50,000 appropriated as a grant to Molokai General Hospital in section 19, page 9 of the bill.

13. \$750,000 appropriated as a subsidy to Kahuku Hospital in section 20, page 10 of the bill.

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14. \$750,000 appropriated as a subsidy to Waianae Coast Comprehensive Health and Hospital Board, Inc. in section 21, page 10 of the bill.

15. \$500,000 appropriated as a subsidy to Wahiawa General Hospital in section 22, page 10 of the bill.

16. \$50,000 appropriated as a subsidy to St. Francis Medical Center in section 23, pages 10-11 of the bill.

17. \$75,000 appropriated as a grant to the Maui AIDS Foundation in section 25, page 11 of the bill.

18. \$1,450,000 appropriated to the department of health to provide resources to nonprofit, community-based health-care providers to care for the uninsured in section 27, page 11-12 of the bill.

19. \$300,000 appropriated as a subsidy for the Kapiolani Medical Center for Women and Children Sex Abuse Treatment Center master contract in section 28, page 12 of the bill.

20. \$450,000 appropriated pursuant to chapter 103F, HRS, for the department of health to contract for comprehensive oral health services to underserved children in section 31, page 13 of the bill.

Because of the foregoing objections, I have taken the following actions:

1. Stricken the appropriation of \$200,000 for fiscal year 2003-2004 in section 3 of the bill (page 2, line 6) and changed it to zero.

2. Stricken the appropriation of \$150,000 for fiscal year 2003-2004 in section 4 of the bill (page 2, line 17) and changed it to zero.

3. Stricken the appropriation of \$100,000 for fiscal year 2003-2004 in section 5 of the bill (page 3, line 4) and changed it to zero.

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4. Reduced the appropriation of \$300,000 for fiscal year 2003-2004 in section 9 of the bill (page 4, line 18) and changed it to \$150,000.

5. Stricken the appropriation of \$200,000 for fiscal year 2003-2004 in section 10 of the bill (page 5, line 10) and changed it to zero.

6. Reduced the appropriation of \$100,000 for fiscal year 2003-2004 in section 11 of the bill (page 5, line 20) and changed it to \$50,000.

7. Reduced the appropriation of \$100,000 for fiscal year 2003-2004 in section 12 of the bill (page 6, line 11) and changed it to \$50,000.

8. Stricken the appropriation of \$300,000 for fiscal year 2003-2004 in section 13 of the bill (page 7, line 8) and changed it to zero.

9. Stricken the appropriation of \$150,000 for fiscal year 2003-2004 in section 14 of the bill (page 7, line 16) and changed it to zero.

10. Stricken the appropriation of \$500,000 for fiscal year 2003-2004 in section 17 of the bill (page 9, line 2) and changed it to zero.

11. Reduced the appropriation of \$750,000 for fiscal year 2003-2004 in section 18 of the bill (page 9, line 13) and changed it to \$700,000.

12. Stricken the appropriation of \$50,000 for fiscal year 2003-2004 in section 19 of the bill (page 9, line 18) and changed it to zero.

13. Reduced the appropriation of \$750,000 for fiscal year 2003-2004 in section 20 of the bill (page 10, line 2) and changed it to \$350,000.

14. Reduced the appropriation of \$750,000 for fiscal year 2003-2004 in section 21 of the bill (page 10, line 9) and changed it to \$675,000.

15. Reduced the appropriation of \$500,000 for fiscal year 2003-2004 in section 22 of the bill (page 10, line 15) and changed it to \$250,000.

16. Stricken the appropriation of \$50,000 for fiscal year 2003-2004 in section 23 of the bill (page 10, line 20) and changed it to zero.

17. Stricken the appropriation of \$75,000 for fiscal year 2003-2004 in section 25 of the bill (page 11, line 10) and changed it to zero.

18. Reduced the appropriation of \$1,450,000 for fiscal year 2003-2004 in section 27 of the bill (page 11, line 21) and changed it to \$1,300,000.

19. Reduced the appropriation of \$300,000 for fiscal year 2003-2004 in section 28 of the bill (page 12, line 10) and changed it to \$100,000.

20. Stricken the appropriation of \$450,000 for fiscal year 2003-2004 in section 31 of the bill (page 13, line 6) and changed it to zero.

Decisions like the one to veto many of the appropriations made under this bill are not easy, but they are necessary. Without fiscal discipline and prudent management of the budget, it would be impossible to restore trust and integrity in government and expand and diversify the economy. These are things that we must do to achieve a true New Beginning for the people of Hawaii. Too much is at stake for us to lose our focus or our resolve.

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For the foregoing reasons, I am returning Senate Bill No. 1305 with the appropriations stricken or reduced as described above.

Respectfully,

LINDA LINGLE  
Governor of Hawaii

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 the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

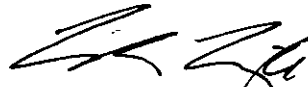
WHEREAS, Senate Bill No. 1305, entitled "A Bill for an Act Relating to State Funds," passed by the Legislature, was presented to the Governor within the aforementioned period; and

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. 1305 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, LINDA LINGLE, 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. 1305, with my objections to certain appropriations 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 20th day  
of June, 2003.



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LINDA LINGLE  
Governor of Hawaii