

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2003

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 540

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. 540, entitled "A Bill for an Act Making an Appropriation for Agricultural Research and Development."

The purpose of this bill is to appropriate \$850,000 for agricultural research and market development and pineapple research projects. The amount of \$800,000 is appropriated to the Department of Agriculture as a grant to the Hawaii Farm Bureau Federation with the requirements that the money be disbursed to the Hawaii Agriculture Research Center and that \$500,000 of the money be used for sugar research. The remaining \$50,000 is appropriated to the Department of Agriculture for specific pineapple research projects.

While I believe this project to be 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 Systems 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.

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.

For the foregoing reasons, I am returning Senate Bill No. 540 without my approval.

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. 540, entitled "A Bill for an Act Making an Appropriation for Agricultural Research and Development," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 540 is 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. 540 with my objections thereon 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.



LINDA LINGLE
Governor of Hawaii