



GOV. MSG. NO. 684

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 7, 2010

The Honorable Colleen Hanabusa, President
And Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 2542 HD1 SD2 CD1

On July 6, 2010, House Bill No. 2542, entitled "A Bill for an Act Relating to Non-General Funds" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to reallocate an estimated \$100,000,000 from various non-general funds and programs to the general fund. This measure transfers \$46,000,000 from specific non-general funds to the general fund on July 1, 2010; and retains in the general fund approximately \$54,000,000 in cigarette tax distributions that are intended for health-related programs from July 1, 2010 to June 30, 2013.

This measure originally would have transferred a total of \$10,000,000 from five non-general funds to the general fund. However, this measure was significantly amended to transfer \$46,000,000 from 25 different non-general funds, and withhold another \$54,000,000 in cigarette tax distributions from three health special funds. While I understand the need to address the state budget deficit, I am concerned that the magnitude of these reallocations will negatively impact the operation of many important public programs and services.

Although this measure authorizes the Director of Finance to transfer a total of \$46,000,000 from various non-general funds to the general fund on July 1, 2010, I do not believe all these transfers are appropriate. To ensure programs and services will not be dramatically impacted, transfers will only be made by the Director of Finance in cases where they have been determined to be appropriate and necessary.

The Honorable Colleen Hanabusa, President
And Members of the Senate

Also I am concerned that any reduction of moneys in the State Highway Fund will further impact our ability to repair and maintain the roadways in our State. I have worked hard to ensure these funds remain intact for much needed repairs.

For the foregoing reason, I allowed House Bill No. 2542 to become law as Act 192, effective July 6, 2010, without my signature.

Sincerely,



LINDA LINGLE

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The severe recession of 2008 swept across the nation and many parts of the world with unanticipated force and brought with it enormous challenges for governments at all levels. Its effects on businesses and employment are still being felt today, including a profound impact on Hawaii in terms of tax revenues and the state budget.

The legislature finds that due to the extraordinary fiscal circumstances the State is facing, non-general funds must be reviewed and scrutinized to determine if there are excess balances available to help address the critical budget shortfall in fiscal year 2010-2011.

The purpose of this Act is to help address the fiscal year 2010-2011 budget shortfall by transferring excess balances from various non-general funds into the State's general fund.

SECTION 2. The legislature determines that there is in the agricultural loan reserve fund at least \$1,000,000 in excess of the requirements of the fund. On July 1, 2010, the director of



1 finance is authorized to transfer from the agricultural loan
2 reserve fund to the general fund the sum of \$1,000,000 or so
3 much thereof as may be necessary for fiscal year 2010-2011.

4 SECTION 3. The legislature determines that there is in the
5 state motor pool revolving fund at least \$1,500,000 in excess of
6 the requirements of the fund. On July 1, 2010, the director of
7 finance is authorized to transfer from the state motor pool
8 revolving fund to the general fund the sum of \$1,500,000 or so
9 much thereof as may be necessary for fiscal year 2010-2011.

10 SECTION 4. The legislature determines that there is in the
11 state risk management revolving fund at least \$2,000,000 in
12 excess of the requirements of the fund. On July 1, 2010, the
13 director of finance is authorized to transfer from the state
14 risk management revolving fund to the general fund the sum of
15 \$2,000,000 or so much thereof as may be necessary for fiscal
16 year 2010-2011.

17 SECTION 5. The legislature determines that there is in the
18 stadium special fund at least \$2,000,000 in excess of the
19 requirements of the fund. On July 1, 2010, the director of
20 finance is authorized to transfer from the stadium special fund
21 to the general fund the sum of \$2,000,000 or so much thereof as
22 may be necessary for fiscal year 2010-2011.



1 SECTION 6. The legislature determines that there is in the
2 medicaid investigations recovery fund at least \$1,500,000 in
3 excess of the requirements of the fund. On July 1, 2010, the
4 director of finance is authorized to transfer from the medicaid
5 investigations recovery fund to the general fund the sum of
6 \$1,500,000 or so much thereof as may be necessary for fiscal
7 year 2010-2011.

8 SECTION 7. The legislature determines that there is in the
9 Hawaii community development revolving fund, at least \$1,000,000
10 in excess of the requirements of the fund. On July 1, 2010, the
11 director of finance is authorized to transfer from the Hawaii
12 community development revolving fund to the general fund the sum
13 of \$1,000,000 or so much thereof as may be necessary for fiscal
14 year 2010-2011.

15 SECTION 8. The legislature determines that there is in the
16 convention center enterprise special fund at least \$2,000,000 in
17 excess of the requirements of the fund. On July 1, 2010, the
18 director of finance is authorized to transfer from the
19 convention center enterprise special fund to the general fund
20 the sum of \$2,000,000 or so much thereof as may be necessary for
21 fiscal year 2010-2011.



1 SECTION 9. The legislature determines that there is in the
2 foreign trade zones special fund at least \$300,000 in excess of
3 the requirements of the fund. On July 1, 2010, the director of
4 finance is authorized to transfer from the foreign trade zones
5 special fund to the general fund the sum of \$300,000 or so much
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 10. The legislature determines that there is in
8 the compliance resolution fund - business registration fund
9 account at least \$1,500,000 in excess of the requirements of the
10 fund account. On July 1, 2010, the director of finance is
11 authorized to transfer from the compliance resolution fund -
12 business registration fund account to the general fund the sum
13 of \$1,500,000 or so much thereof as may be necessary for fiscal
14 year 2010-2011.

15 SECTION 11. The legislature determines that there is in
16 the department of commerce and consumer affairs special drivers
17 education fund account at least \$1,400,000 in excess of the
18 requirements of the fund account. On July 1, 2010, the director
19 of finance is authorized to transfer from the special drivers
20 education fund account to the general fund the sum of \$1,400,000
21 or so much thereof as may be necessary for fiscal year 2010-
22 2011.



1 SECTION 12. The legislature determines that there is in
2 the loss mitigation grant fund at least \$3,200,000 in excess of
3 the requirements of the fund. On July 1, 2010, the director of
4 finance is authorized to transfer from the loss mitigation grant
5 fund to the general fund the sum of \$3,200,000 or so much
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 13. The legislature determines that there is in
8 the department of education drivers education fund account at
9 least \$1,000,000 in excess of the requirements of the fund
10 account. On July 1, 2010, the director of finance is authorized
11 to transfer from the drivers education fund account to the
12 general fund the sum of \$1,000,000 or so much thereof as may be
13 necessary for fiscal year 2010-2011.

14 SECTION 14. The legislature determines that there is in
15 the deposit beverage container deposit special fund at least
16 \$1,000,000 in excess of the requirements of the fund. On July
17 1, 2010, the director of finance is authorized to transfer from
18 the deposit beverage container deposit special fund to the
19 general fund the sum of \$1,000,000 or so much thereof as may be
20 necessary for fiscal year 2010-2011.

21 SECTION 15. The legislature determines that there is in
22 the Hawaii tobacco settlement special fund at least \$7,200,000



1 in excess of the requirements of the fund. On July 1, 2010, the
2 director of finance is authorized to transfer from the Hawaii
3 tobacco settlement special fund to the general fund the sum of
4 \$7,200,000 or so much thereof as may be necessary for fiscal
5 year 2010-2011.

6 SECTION 16. The legislature determines that there is in
7 the neurotrauma special fund at least \$1,000,000 in excess of
8 the requirements of the fund. On July 1, 2010, the director of
9 finance is authorized to transfer from the neurotrauma special
10 fund to the general fund the sum of \$1,000,000 or so much
11 thereof as may be necessary for fiscal year 2010-2011.

12 SECTION 17. The legislature finds that there is in the
13 special fund for disability benefits over \$7,000,000
14 attributable to compound interest and penalties that have been
15 collected by the fund since its inception. The legislature
16 determines that there is in the special fund for disability
17 benefits at least \$7,000,000 in excess of the requirements of
18 the fund. On July 1, 2010, the director of finance is
19 authorized to transfer from the special fund for disability
20 benefits to the general fund the sum of \$7,000,000 or so much
21 thereof as may be necessary for fiscal year 2010-2011.



1 SECTION 18. The legislature determines that there is in
2 the land conservation fund at least \$1,000,000 in excess of the
3 requirements of the fund. On July 1, 2010, the director of
4 finance is authorized to transfer from the land conservation
5 fund to the general fund the sum of \$1,000,000 or so much
6 thereof as may be necessary for fiscal year 2010-2011.

7 SECTION 19. The legislature determines that there is in
8 the natural area reserve fund at least \$500,000 in excess of the
9 requirements of the fund. On July 1, 2010, the director of
10 finance is authorized to transfer from the natural area reserve
11 fund to the general fund the sum of \$500,000 or so much thereof
12 as may be necessary for fiscal year 2010-2011.

13 SECTION 20. The legislature determines that there is in
14 the federal reimbursement maximization special fund at least
15 \$500,000 in excess of the requirements of the fund. On July 1,
16 2010, the director of finance is authorized to transfer from the
17 federal reimbursement maximization special fund to the general
18 fund the sum of \$500,000 or so much thereof as may be necessary
19 for fiscal year 2010-2011.

20 SECTION 21. The legislature determines that there is in
21 the University of Hawaii housing assistance revolving fund at
22 least \$2,000,000 in excess of the requirements of the fund. On



1 July 1, 2010, the director of finance is authorized to transfer
2 from the University of Hawaii housing assistance revolving fund
3 to the general fund the sum of \$2,000,000 or so much thereof as
4 may be necessary for fiscal year 2010-2011.

5 SECTION 22. The legislature determines that there is in
6 the university revenue-undertakings fund at least \$2,500,000 in
7 excess of the requirements of the fund. On July 1, 2010, the
8 director of finance is authorized to transfer from the
9 university revenue-undertakings fund to the general fund the sum
10 of \$2,500,000 or so much thereof as may be necessary for fiscal
11 year 2010-2011.

12 SECTION 23. The legislature determines that there is in
13 the University of Hawaii research and training revolving fund at
14 least \$400,000 in excess of the requirements of the fund. On
15 July 1, 2010, the director of finance is authorized to transfer
16 from the University of Hawaii research and training revolving
17 fund to the general fund the sum of \$400,000 or so much thereof
18 as may be necessary for fiscal year 2010-2011.

19 SECTION 24. The legislature determines that there is in
20 the judiciary computer system special fund at least \$2,000,000
21 in excess of the requirements of the fund. On July 1, 2010, the
22 director of finance is authorized to transfer from the judiciary



1 computer system special fund to the general fund the sum of
2 \$2,000,000 or so much thereof as may be necessary for fiscal
3 year 2010-2011.

4 SECTION 25. The legislature determines that there is in
5 the driver education and training fund, under the judiciary, at
6 least \$1,500,000 in excess of the requirements of the fund. On
7 July 1, 2010, the director of finance is authorized to transfer
8 from the driver education and training fund to the general fund
9 the sum of \$1,500,000 or so much thereof as may be necessary for
10 fiscal year 2010-2011.

11 SECTION 26. The legislature determines that there is in
12 the disaster loan revolving fund at least \$1,000,000 in excess
13 of the requirements of the fund. On July 1, 2010, the director
14 of finance is authorized to transfer from the disaster loan
15 revolving fund to the general fund the sum of \$1,000,000 or so
16 much thereof as may be necessary for fiscal year 2010-2011.

17 PART II

18 SECTION 27. Section 235-110.6, Hawaii Revised Statutes, is
19 amended by amending subsection (c) to read as follows:

20 "(c) The tax credit claimed under this section by the
21 principal operator shall be deductible from the principal
22 operator's individual or corporate income tax liability, if any,



1 for the tax year in which the credit is properly claimed;
2 provided that a husband and wife filing separate returns for a
3 taxable year for which a joint return could have been made by
4 them shall claim only the tax credit to which they would have
5 been entitled had a joint return been filed. If the tax credit
6 claimed by the principal operator under this section exceeds the
7 amount of the income tax payments due from the principal
8 operator, the excess of credit over payments due shall be
9 refunded to the principal operator[+] from the state highway
10 fund; provided that the tax credit properly claimed by a
11 principal operator who has no income tax liability shall be paid
12 to the principal operator[+] from the state highway fund; and
13 provided further no refunds or payments on account of the tax
14 credit allowed by this section shall be made for amounts less
15 than \$1."

16 PART III

17 SECTION 28. Section 245-15, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§245-15 Disposition of revenues.** All moneys collected
20 pursuant to this chapter shall be paid into the state treasury
21 as state realizations to be kept and accounted for as provided



1 by law; provided that, of the moneys collected under the tax
2 imposed pursuant to:

3 (1) Section 245-3(a)(5), after September 30, 2006, and
4 prior to October 1, 2007, 1.0 cent per cigarette shall
5 be deposited to the credit of the Hawaii cancer
6 research special fund, established pursuant to section
7 304A-2168, for research and operating expenses and for
8 capital expenditures;

9 (2) Section 245-3(a)(6), after September 30, 2007, and
10 prior to October 1, 2008:

11 (A) 1.5 cents per cigarette shall be deposited to the
12 credit of the Hawaii cancer research special
13 fund, established pursuant to section 304A-2168,
14 for research and operating expenses and for
15 capital expenditures;

16 (B) 0.25 cents per cigarette shall be deposited to
17 the credit of the trauma system special fund
18 established pursuant to section 321-22.5; and

19 (C) 0.25 cents per cigarette shall be deposited to
20 the credit of the emergency medical services
21 special fund established pursuant to section
22 321-234;



(3) Section 245-3(a)(7), after September 30, 2008, and prior to July 1, 2009:

(A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special fund, established pursuant to section 304A-2168, for research and operating expenses and for capital expenditures;

(B) 0.5 cents per cigarette shall be deposited to the credit of the trauma system special fund established pursuant to section 321-22.5;

(C) 0.25 cents per cigarette shall be deposited to the credit of the community health centers special fund established pursuant to section 321-1.65; and

(D) 0.25 cents per cigarette shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234;

(4) Section 245-3(a)(8), after June 30, 2009, and prior to July 1, ~~[2010-]~~ 2013:

(A) 2.0 cents per cigarette shall be deposited to the credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,
2 for research and operating expenses and for
3 capital expenditures;

4 (B) 0.75 cents per cigarette shall be deposited to
5 the credit of the trauma system special fund
6 established pursuant to section 321-22.5;

7 (C) 0.75 cents per cigarette shall be deposited to
8 the credit of the community health centers
9 special fund established pursuant to section
10 321-1.65; and

11 (D) 0.5 cents per cigarette shall be deposited to the
12 credit of the emergency medical services special
13 fund established pursuant to section 321-234;

14 and

15 ~~[-(5) Section 245-3(a)(10), after June 30, 2010, and prior~~
16 ~~to July 1, 2011:-~~

17 ~~(A) 2.0 cents per cigarette shall be deposited to the~~
18 ~~credit of the Hawaii cancer research special~~
19 ~~fund, established pursuant to section 304A-2168,~~
20 ~~for research and operating expenses and for~~
21 ~~capital expenditures;~~



1 ~~(B) 1.0 cent per cigarette shall be deposited to the~~
2 ~~credit of the trauma system special fund~~
3 ~~established pursuant to section 321-22.5;~~

4 ~~(C) 1.0 cent per cigarette shall be deposited to the~~
5 ~~credit of the community health centers special~~
6 ~~fund established pursuant to section 321-1.65;~~
7 ~~and~~

8 ~~(D) 1.0 cent per cigarette shall be deposited to the~~
9 ~~credit of the emergency medical services special~~
10 ~~fund established pursuant to section 321-234; and~~

11 ~~(6)]~~ (5) Section 245-3(a)(11), after June 30, [2011,
12 2013, and thereafter:

13 (A) 2.0 cents per cigarette shall be deposited to the
14 credit of the Hawaii cancer research special
15 fund, established pursuant to section 304A-2168,
16 for research and operating expenses and for
17 capital expenditures;

18 (B) 1.5 cents per cigarette shall be deposited to the
19 credit of the trauma system special fund
20 established pursuant to section 321-22.5;

21 (C) 1.25 cents per cigarette shall be deposited to
22 the credit of the community health centers



1 special fund established pursuant to section
2 321-1.65; and
3 (D) 1.25 cents per cigarette shall be deposited to
4 the credit of the emergency medical services
5 special fund established pursuant to section
6 321-234.

7 The department shall provide an annual accounting of these
8 dispositions to the legislature."

9 SECTION 29. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 30. This Act shall take effect on July 1, 2010.

APPROVED this day of , 2010

GOVERNOR OF THE STATE OF HAWAII





GOV. MSG. NO. **685**

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

July 7, 2010

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: House Bill No. 1818 HD2 SD2 CD1

On July 6, 2010, House Bill No. 1818, entitled "A Bill for an Act Relating to Cognitive Restructuring" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to authorize the Department of Public Safety to offer reentry/reintegration programs within Hawaii's correctional facilities that include cognitive behavioral therapy with cultural and other interventions. This measure also requires the Department of Public Safety to submit an annual report to the Legislature on these programs in Hawaii's correctional facilities no later than twenty days prior to the convening of each regular session, beginning with the regular session of 2011.

Although I support the implementation of reentry programs that are effective and help offenders transition back into the community, the Department of Public Safety already has the authority to implement the types of programs specified in this measure. Thus, this bill is unnecessary. Moreover, this legislation does not address the level of funding for such programs, which is the primary impediment to conducting these and other kinds of programs and treatments.

Additionally, the provision of this bill that requires the Department of Public Safety to report certain statistical and demographic data fails to define key terms, such as "native Hawaiian" and "recidivism", which are important for the collection of accurate and useful data.

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SENATE
OFFICE OF THE PRESIDENT

10 JUL -7 10:28



The Honorable Colleen Hanabusa, President
and Members of the Senate
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For the foregoing reasons, I allowed House Bill No. 1818 to become law as Act 193, effective July 6, 2010, without my signature.

Sincerely,



LINDA LINGLE

A BILL FOR AN ACT

RELATING TO COGNITIVE RESTRUCTURING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there is a
2 disproportionately high rate of arrest and incarceration among
3 young men and women of Hawaiian ancestry. Many of these
4 individuals are under forty years of age and should be provided
5 rehabilitation opportunities.

6 A promising approach to reducing recidivism and helping
7 inmates make the successful transition from prison to the
8 community is cognitive restructuring and transition programs
9 provided at correctional facilities. Such programs involve
10 self-examination of an inmate's belief system, criminal
11 addictive cycle, attitudes and thinking patterns, and
12 development of relapse prevention plans for future situations.
13 The programs assist offenders in restructuring their thought
14 processes and teach cognitive skills that help with basic
15 decision-making and problem-solving. The goal of cognitive
16 restructuring is to guide offenders to consciously examine their
17 own thoughts by engaging in processes that develop self-control,
18 thus making them responsible for, and in charge of, their



1 actions no matter how stressful the situation. When combined
2 with strategies that help Hawaiian inmates get back in touch
3 with the values of their culture, cognitive rehabilitation can
4 help break the vicious cycle of crime and punishment, as
5 knowledge of Hawaiian traditions and cultural values have helped
6 many cope with social challenges.

7 The purpose of this Act is to authorize the department of
8 public safety to offer reentry/reintegration programs within
9 Hawaii's correctional facilities that include cognitive
10 behavioral therapy with cultural and other interventions to
11 address domestic violence, addictions, self-mastery through
12 identity, and community connections to promote the successful
13 transition from incarceration to the community.

14 SECTION 2. (a) The department of public safety may offer
15 reentry/reintegration programs within Hawaii's correctional
16 facilities that offer cognitive behavioral therapy with cultural
17 and other interventions to address domestic violence,
18 addictions, self-mastery through identity, and community
19 connections to promote the successful transition from
20 incarceration to the community.



1 (b) The department of public safety may implement this Act
2 with all new contracts for reentry/reintegration programs upon
3 approval of this Act.

4 (c) The department of public safety shall submit an annual
5 report to the legislature on these programs in Hawaii's
6 correctional facilities no later than twenty days prior to the
7 convening of each regular session, beginning with the regular
8 session of 2011.

9 The annual report shall include but not be limited to:

- 10 (1) Descriptions of the various programs;
11 (2) Criteria for access/entry to the programs;
12 (3) The number of native Hawaiians who participated in the
13 programs;
14 (4) The number of non-Hawaiians who participated in the
15 programs;
16 (5) The number of native Hawaiians who completed the
17 programs;
18 (6) The number of non-Hawaiians who completed the
19 programs;
20 (7) The number of participants paroled/"maxed out";
21 (8) Recidivism after three months, six months, nine
22 months, and one year; and



1 (9) Successes and challenges in administering the
2 programs.

3 SECTION 3. If any provision of this Act, or the
4 application thereof to any person or circumstance is held
5 invalid, the invalidity does not affect other provisions or
6 applications of the Act, which can be given effect without the
7 invalid provision or application, and to this end the provisions
8 of this Act are severable.

9 SECTION 4. This Act shall take effect upon its approval.

APPROVED this day of , 2010

GOVERNOR OF THE STATE OF HAWAII

