July 8, 2008

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

Dear Madam President and Members of the Senate:

I am transmitting herewith SB2840 SD2 HD1 CD1, without my approval, and with the statement of objections relating to the measure.

SB2840 SD2 HD1 CD1 A BILL FOR AN ACT RELATING TO SELF-SUFFICIENCY.

Sincerely,

[Signature]

LINDA LINGLE
STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2840

Honorable Members
Twenty-Fourth 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. 2840, entitled "A Bill for an Act Relating to Self-Sufficiency."

The purpose of this bill is to require the Department of Business, Economic Development and Tourism to establish and update biennially a self-sufficiency standard that reflects, at a minimum, costs relating to housing, food, child care, transportation, health care, clothing and household expenses, federal and state tax obligations, family size, children's ages, geography, and the number of household wage earners.

Each year, the federal government publishes the federal poverty guidelines which states can use for administrative purposes, such as determining financial eligibility for certain federal programs. The federal poverty guidelines are an established, tested measure that provides uniform analysis and application across the 50 states.

This bill is objectionable because it requires the Department of Business, Economic Development, and Tourism to develop an alternative standard without any funding or staff with which to do it. As such, this bill represents an unfunded mandate. In the coming months, State agencies will be forced to focus staff and limited funding on their core mission and goals.
Further, establishing and updating the standard described in this bill could lead to the use of this standard for "official" purposes, creating expectations that the State can raise benefit levels at a time when fiscal constraints limit this ability.

For the foregoing reasons, I am returning Senate Bill No. 2840 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii
A BILL FOR AN ACT

RELATING TO SELF-SUFFICIENCY.

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

SECTION 1. The legislature finds that a self-sufficiency standard that is measured appropriately and updated consistently for the State of Hawaii would much more accurately reflect the actual income needed to afford the basic necessities of life.

In 2003, a study conducted for the Hawaii state commission on the status of women calculated the bare-minimum costs for housing, child care, food, transportation, health care, clothing and household costs, and federal and state tax obligations. The result was a measurement of the cost of living in Hawaii that took into account family size, children's ages, geography, and number of household wage-earners. The study found that certain households in Hawaii could require as much as double to triple the amount listed in the federal poverty guidelines to meet their basic living needs. A self-sufficiency standard for Hawaii would be an excellent tool for lawmakers, the business and education communities, and the nonprofit sector to improve
efforts to help lower-income families reach economic
sufficiency.

The purpose of this Act is to establish and update
biennially a self-sufficiency standard for Hawaii.

SECTION 2. Section 201-3, Hawaii Revised Statutes, is
amended to read as follows:

"§201-3 Specific research and promotional functions of the
department. Without prejudice to its general functions and
duties the department of business, economic development, and
tourism shall have specific functions in the following areas:

(1) Industrial development. The department shall
determine through technical and economic surveys the
profit potential of new or expanded industrial
undertakings; develop through research projects and
other means new and improved industrial products and
processes; promote studies and surveys to determine
consumer preference as to design and quality and to
determine the best methods of packaging, transporting,
and marketing the State's industrial products;
disseminate information to assist the present
industries of the State, to attract new industries to
the State, and to encourage capital investment in
present and new industries in the State; assist associations of producers and distributors of industrial products to introduce these products to consumers; and make grants or contracts as may be necessary or advisable to accomplish the foregoing;

(2) Land development. The department shall encourage the most productive use of all land in the State in accordance with a general plan developed by the department; encourage the improvement of land tenure practices on leased private lands; promote an informational program directed to landowners, producers of agricultural and industrial commodities, and the general public regarding the most efficient and most productive use of the lands in the State; and make grants or contracts as may be necessary or advisable to accomplish the foregoing;

(3) Credit development. The department shall conduct a continuing study of agricultural and industrial credit needs; encourage the development of additional private and public credit sources for agricultural and industrial enterprises; promote an informational
program to acquaint financial institutions with
agricultural and industrial credit needs and the
potential for agricultural and industrial expansion,
and inform producers of agricultural and industrial
products as to the manner in which to qualify for
loans; and make [such] grants or contracts as may be
necessary or advisable to accomplish the foregoing;

(4) Promotion. The department shall disseminate
information developed for or by the department
pertaining to economic development to assist present
industry in the State, attract new industry and
investments to the State, and assist new and emerging
industry with good growth potential or prospects in
jobs, exports, and new products. The industrial and
economic promotional activities of the department may
include the use of literature, advertising,
demonstrations, displays, market testing, lectures,
travel, motion picture and slide films, and [such]
other promotional and publicity devices as may be
appropriate; [and]
Tourism research and statistics. The department shall maintain a program of research and statistics for the purpose of:

(A) Measuring and analyzing tourism trends;

(B) Providing information and research to assist in the development and implementation of state tourism policy;

(C) Encouraging and arranging for the conduct of tourism research and information development through voluntary means or through contractual services with qualified agencies, firms, or persons; and

(D) Providing tourism information to policy makers, the public, and the visitor industry. This includes:

(i) Collecting and publishing visitor-related data including visitor arrivals, visitor characteristics and expenditures;

(ii) Collecting and publishing hotel-related statistics including the number of units available, occupancy rates, and room rates;
(iii) Collecting and publishing airline-related data including seat capacity and number of flights;

(iv) Collecting information and conducting analyses of the economic, social, and physical impacts of tourism on the State;

(v) Conducting periodic studies of the impact of ongoing marketing programs of the Hawaii tourism authority on Hawaii's tourism industry, employment in Hawaii, state taxes, and the State's lesser known and underutilized destinations; and

(vi) Cooperate with the Hawaii tourism authority and provide it with the above information in a timely manner.

and

(6) **Self-sufficiency standard.** The department shall establish and update biennially a self-sufficiency standard that shall incorporate existing methods of calculation, and shall reflect, at a minimum, costs relating to housing, food, child care, transportation, health care, clothing and household expenses, federal
and state tax obligations, family size, children's ages, geography, and the number of household wage earners. The department shall report to the legislature concerning the self-sufficiency standard no later than twenty days prior to the convening of the regular session of 2009, and every odd-numbered year thereafter. The recommendations shall address, among other things, the utilization of any federal funding that may be available for the purposes of establishing and updating the self-sufficiency standard.

The department shall be the central agency to coordinate film permit activities in the State."