

ORIGINAL

EXECUTIVE CHAMBERS

HONOLULU

June 8, 1999

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 104

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, House Bill No. 104, entitled "A Bill for an Act Relating to the Public Employees Health Fund."

The purpose of this bill is to amend Act 309, Session Laws of Hawaii 1996, which authorized the establishment of a committee comprised of representatives from state and county public employers and public employee unions to develop, recommend, and implement an employer-union trust concept for determining and administering employee and retiree health benefits, by changing the composition of the committee and its purpose. Act 309 was enacted to establish a timetable to proceed with the conversion to an employer-union trust concept for determining and administering public employee and retiree health benefits, and to mandate that public employers and employee organizations work together on this effort.

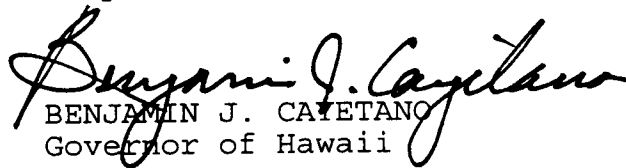
This bill is objectionable first because it amends Act 309 by deleting the references to "employer-union trust concept" and replacing it with "alternative concepts," which redirects the committee to explore other concepts and obscures the purpose of Act 309. Second, the bill is unclear and ambiguous about whether it authorizes the appointment of two, three, or more co-chairs to lead the committee. Third, the bill proposes an amendment to section 2 of Act 309, which allows "any committee member or group of members [to] finalize a proposal to replace the existing public employees health fund with a system based on alternative concepts in the form of proposed legislation." This provision undermines the objective of the Employer-Union Trust Concept

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Committee because (1) it promotes dissension among committee members and diverts the focus of the committee from its primary mission; and (2) it would inadvertently permit the submission to the Legislature of a proposal from any committee member or any group of committee members, which may not be the proposal supported by the overall committee.

For the foregoing reasons, I am returning House Bill No. 104 without my approval.

Respectfully,


BENJAMIN J. CAYETANO
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 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, House Bill No. 104, entitled "A Bill for an Act Relating to the Public Employees Health Fund," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 104 is 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 House Bill No. 104, 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 8th
day of June, 1999.


BENJAMIN J. CAYETANO
Governor of Hawaii