

EXECUTIVE CHAMBERS

HONOLULU

June 20, 2003

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 968

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, House Bill No. 968, entitled "A Bill for an Act Relating to Unemployment Benefits."

The purpose of this bill is to allow unemployment insurance (UI) claimants to receive their weekly benefit amount without regard to earnings received from current employment.

This bill is objectionable because the unemployment system was established to provide jobless workers with a means of getting through a temporary period of unemployment and not as an entitlement that should continue to be paid in full even after a job has been found.

This bill also is objectionable because it would apply retroactively to weeks beginning January 1, 2003 and cost approximately \$800,000 per month in benefits expended from the UI trust fund, or a seven percent increase from current levels. Employers in Hawaii have already been subject to higher tax assessments because the contribution rate schedule increased from Schedule C in 2002 to Schedule D in 2003, due to a lower trust fund balance. By permanently drawing from trust fund reserves, this measure would put upward pressure on the unemployment tax rate and thereby make it more difficult to hold down the costs of doing business in Hawaii.

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For the foregoing reasons, I am returning House Bill
No. 968 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, House Bill No. 968, entitled "A Bill for an Act Relating to Unemployment Benefits," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 968 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 House Bill No. 968 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