

July 14, 2004

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Second State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

Re: Senate Bill No. 3230, S.D.2, H.D.1, C.D.1

On July 13, 2004, Senate Bill No. 3230, entitled "Relating to Early Childhood Care," became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to appropriate \$200,000 to the Department of Human Services to establish a pilot project in East Hawaii to provide early childhood care services for children under age five and their families in critical need areas as determined by the department.

This bill is questionable because the proposed pilot project is based on Hui Imua O Koolauloa, a program that has been in operation utilizing a multi-year federal fund grant at a cost of about \$400,000 to \$500,000 a year. The intent of the Legislature was to establish a similar program using State funds but only appropriates \$200,000 for the pilot project and then prohibits the use of those funds for planning, studies, or other strategic functions such as coordination. Further, the bill fails to provide monies for the administrative costs of operating this program, thus creating a situation where the Department of Human Services may have to divert other departmental funds to cover the administration and management of this project. Also, the Legislature has failed to demonstrate how the State would find the funds to sustain this program on a permanent, statewide basis.

While the objectives of enriching early childhood care have merit, the use of general funds for a pilot project that has the potential to expand future program requirements without realizing the potential cost impact is not prudent. Given the State's current fiscal situation, the State must exercise sound fiscal discipline and give priority to those State programs already in operation, rather than implement new programs that the State will be unable to sustain.

Therefore, I allowed Senate Bill 3230, S.D.2, H.D.1, C.D.1 to become law as Act 237, effective July 13, 2004, without my signature.

Sincerely,

LINDA LINGLE