

HAWAII

Abercrombie Decides Not to Veto Public Financial

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Disclosure Bill

The Hawaii law will take effect July 8, but questions over how it will apply to existing board members remain unanswered.

JULY 1, 2014 • By Nathan Eagle [Twitter](#) [Email](#) [RSS](#)

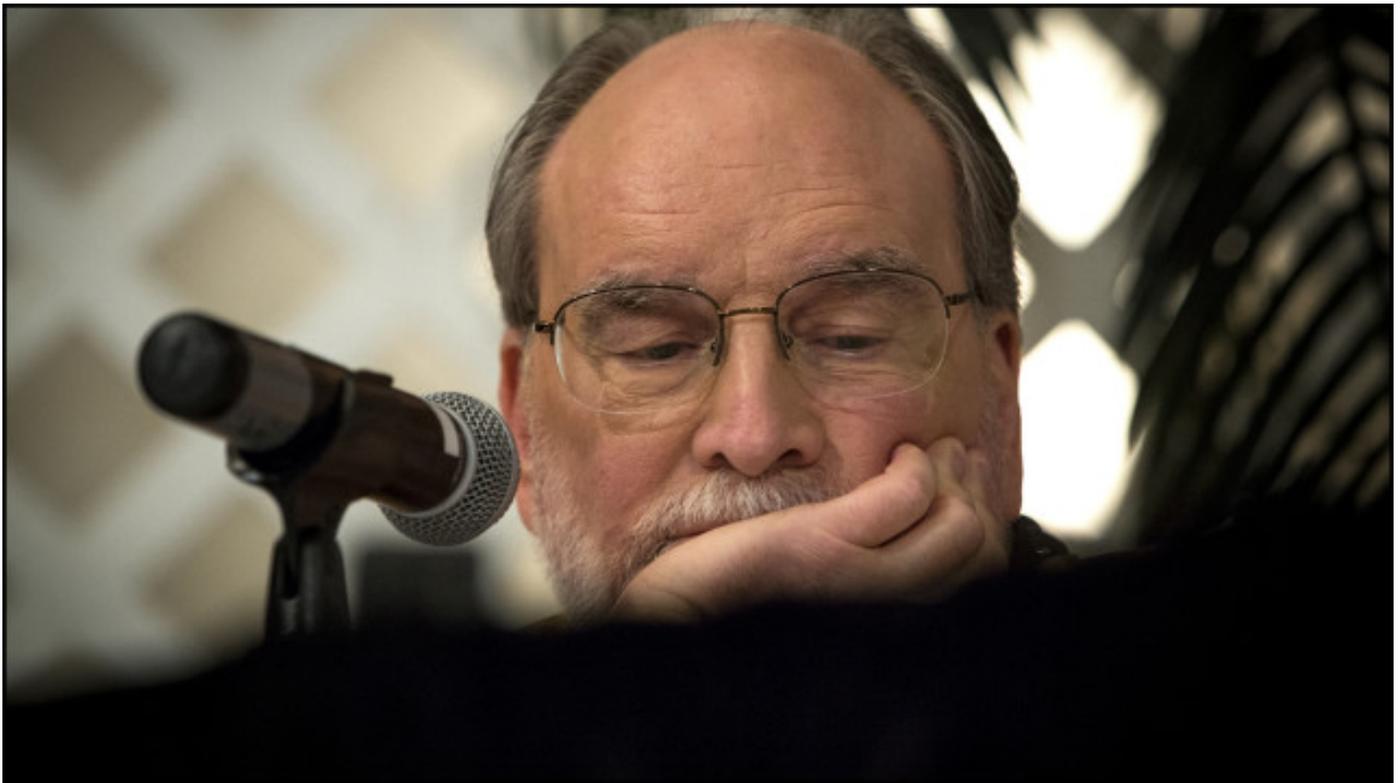
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The public can expect a much closer look at the financial interests of powerful state board members after Hawaii Gov. Neil Abercrombie's decision Monday to not veto a disclosure bill that has already been cited as the reason for two resignations.

The governor sent Senate President Donna Mercado Kim and House Speaker Joe Souki a letter saying he will let the measure become law July 8 without his signature.

[Senate Bill 2682](#), which the Legislature unanimously [passed in April](#), was one of 10 bills that Abercrombie put on his [intent-to-veto list](#) June 23.

PF Bentley/Civil Beat



Gov. Neil Abercrombie listens to Sen. David Ige's closing statement in a debate June 24, 2014.

“There are tough issues to be considered in this bill with competing values: Legitimate inquiry into possible conflicts regarding the public interest versus legitimate concerns about personal information on family, finances, credit history and medical records becoming cannon fodder in political battles,” Abercrombie wrote.

“It seems reasonable in these circumstances then, to allow this bill to become law with the object of reviewing the disclosure documents to determine what information serves the public interest, what limitations are relevant and most importantly, what constitutes conflict. The issue then, is not about disclosure, but to what end and by what means.”

Good-government groups, which came down hard on Abercrombie for considering a veto, heralded the news.

“Hawaii has had the lowest voter turnout in the nation for years, and a large part of that is attributed to low public confidence in our government,” Common Cause Hawaii Executive Director Carmille Lim said. “SB 2682 increases the level of transparency for the state’s most powerful boards and commissions. By letting this bill become law without his signature, we are taking a step toward restoring that public confidence.”

The bill adds 15 boards — including the University of Hawaii Board of Regents, Public Utilities Commission and Hawaii Community Development Authority — to the list of those whose members already have to file public financial disclosure statements.

“We need people in government who are willing to be forthcoming and transparent.” — Sen. David Ige

disclosure bill as the primary reason.

Before even knowing for sure if the bill would become law, [two UH regents resigned](#). John Dean and Saedene Ota submitted resignation letters on June 12 and June 26, respectively, citing the financial

Members of several others boards objected to the bill as it made its way through the legislative process earlier this year.

Critics said the public requirement [deters people from serving](#) on state boards because they don't want to share where their financial interests are and how much money they make. The forms don't disclose exact salaries but do provide broad ranges.

Supporters who have tried to get some form of this legislation passed for years have maintained that the bill boosts government transparency and accountability.

League of Women Voters of Hawaii President Ann Sack Shaver [wrote in a Civil Beat column Monday](#) that the law will help today's working people weed out corruption.

“Such disclosure is just part and parcel of being willing to provide public service,” she said. “Serving on a state board is voluntary, and if a current member such as a university regent is unwilling to disclose such information to the public, so be it.”

Abercrombie, who is seeking re-election this fall, came under fire when he said he might veto SB 2682.

His opponent in the Aug. 9 Democratic primary, state Sen. David Ige, [pounced on it as a campaign issue](#), blasting the governor for thinking about vetoing the bill.

Ige released a statement Monday calling the passage of the financial disclosure bill a

“great day for openness and transparency in Hawaii’s government.”

“This legislation is in the best interest of the public for all citizens, ensuring there are no real or perceived conflicts of interest by members of our community who come forward to serve on certain public boards and commissions,” he said. “We need people in government who are willing to be forthcoming and transparent.”

All Eyes Turn to Ethics Commission

The Hawaii State Ethics Commission, which will administer the new law when it takes effect, supports the bill.

The commission told lawmakers earlier this year that it lacks the resources to vet the roughly 1,800 financial disclosure statements it receives annually from state employees — only 180 or so are open to public inspection now.

Ethics Executive Director Les Kondo has said the public is best able to identify and raise concerns of potential conflicts of interest.

“From the state Ethics Commission’s perspective, we think it’s a good bill,” Kondo said Monday.

While the bill spells out the 15 additional boards whose members will have to file public financial disclosure reports, the legislation is unclear on how this will apply to sitting board members who filed their reports when they remained confidential with the Ethics Commission.

Kondo would only say that the commission “would take a look and make sure that it is applied the way it was intended to be applied.”

The commission reviews all bills that become law that either affect current operations or other people who would become subject to a new provision, he said.

The governor’s spokesman, Justin Fujioka, said because the law would take effect almost immediately, it will apply to existing members, but they will not have to file an annual disclosure statement until one is due.

But for specifics, he deferred to the Ethics Commission “because nothing is really clearly stated in the bill as far as these details.”

The Hawaii Attorney General’s Office similarly deferred to the commission.

“The Ethics Commission is the agency tasked with enforcing the law so it will be up to them to make those decisions,” Anne Lopez, the AG’s special assistant, said.

Financial disclosure reports are due May 31 each year for all state employees except for state lawmakers. However, because May 31 fell on a weekend this year, the reports were due June 2.

Starting this year, lawmakers’ public financial disclosure reports were due Jan. 31 thanks to a law passed in 2013 that moved their filing deadline up so the public could see the reports at the beginning of the legislative session instead of the end.

Newly appointed members of boards and commissions must file their financial reports within 30 days.

Here is the letter Abercrombie sent to Kim and Souki:



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 30, 2014

The Honorable Donna Mercado Kim
Senate President
Hawaii State Capitol
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki
Speaker of the House
Hawaii State Capitol
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813


Dear President Kim and Speaker Souki:

In the coming days, I will be transmitting my formal message to the Legislature regarding my decision on Senate Bill 2682 (Relating to Financial Disclosure Statements), which was included on my Intent to Veto list.

Whether it is the Supreme Court rulings on cell phone search warrants, or the National Security Agency defending massive data searches, or academic discourse on the intention and scope of the Fourth Amendment in relation to the right of personal privacy, the threat of new technology with regard to the limitations of government inquiry into the personal lives and affairs of citizens, is very much at issue.

When it comes to the role of volunteer participation in the policy and decision-making process of

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