

SENATOR GILBERT KAHELE

May 2011



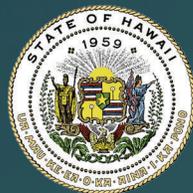
Serving Hawai'i's
Senate District 2

Encompassing the
following
communities:

Hilo,

Puna,

Ka'u



Hawai'i State Capitol, Room 208
Phone: (808) 586-6760
Fax: (808) 586-6689
Email: senkahele@capitol.hawaii.gov

For an electronic version of this newsletter, visit *Senator Kahele's page*
at www.capitol.hawaii.gov

2011 Legislative Wrap-up

Bills Passed

- **SB 285**—In tandem with Representative Bob Herkes, legislation ensured access to healthcare from new mobile medical vans.
- **SB 283**—Based on the collaborative efforts of the Hawai'i 2050 Task Force, this bill updates the State Plan from 1978 to ensure a vision for a sustainable Hawai'i.
- **SB 1342**—Addresses the problem that some disabled drivers face in displaying their parking placard.
- **SB 1153**—Provides greater availability and access to new loans for aspiring farmers to support the growth of the local farming industry and increase our food security and sustainability.
- **SB 281**—Allows for the Department of Agriculture the ability to lease out unused lands to bring in revenues that can be used to strengthen their programs including the prevention of the importation of invasive species.
- **SB 1154**—Creates a wilderness area to conserve and protect the rich cultural, historical and biological aspects of the South Kona area.

On May 5, 2011, the Hawai'i State Legislature adjourned the 2011 Legislative Session.

As a freshman senator, I can look back with satisfaction and a real sense of accomplishment for what we did. The state faced an unprecedented deficit of over \$1 billion, but by working with the House of Representatives and listening to the voices of our constituents, we were able to reach an agreement and a balanced budget.

I'm happy to report that I was able to successfully sponsor a number of bills that, barring a veto from the Governor, will become law. Respecting the rights of the disabled, supporting agricultural initiatives, increasing availability of health care for rural communities, and updating the Hawai'i State Plan on sustainability were the general themes of bills that I helped to shepherd through this session.

Additionally, despite the difficult financial straits that the state was facing, as a member of the Ways and Means Committee, I was able to oversee the passing of a budget that saw over \$12 million in CIP projects that would directly benefit our district.

Among these projects included funding for the improvement of classrooms and facilities, improvements to core road infrastructure, and renovating outdated irrigation systems to bring much needed water to the farmers and ranchers in the Ka'u district.

I am proud of what we have accomplished given the difficult situation that we faced. I realize that there is more to be done and look forward to the challenges ahead. Let's work together and make sure we are all paddling towards "A New Day in Hawai'i".

Hau'oli Ka Mana'o,

Senator Gilbert Kahele

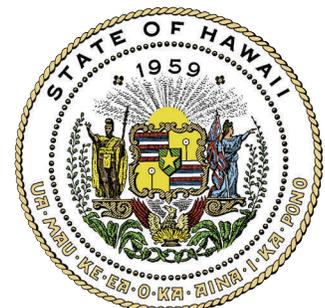
BUDGET:

How the Budget was Balanced

This year the Legislature was faced with difficult decisions in balancing the State's budget. Confronted with a \$1.3 billion shortfall, the Senate worked diligently with the House to trim unnecessary costs and find new revenue sources. Despite adversity the Senate has managed to meet the needs of the people.

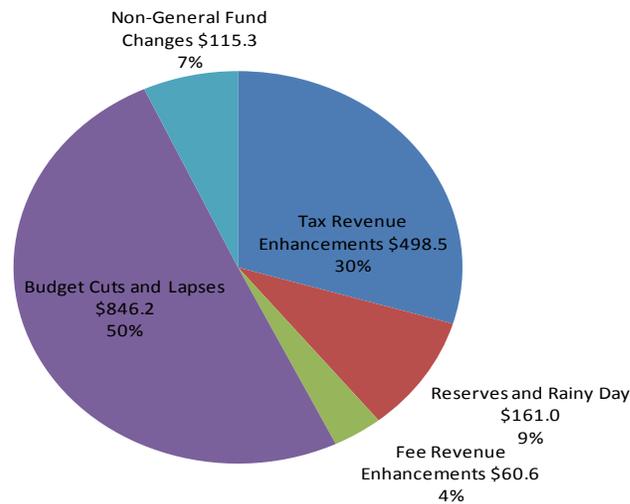
Capital Improvement Projects

- **Ka'u Irrigation System—\$ 2M**
Improvements to the existing irrigation infrastructure to improve access to water.
- **Volcano School of Arts and Sciences—\$618K**
Plans and designs to relocate VSAS to Keakealani.
- **Pahoa Elementary School—\$1M**
Plans, design and construction of a new cafeteria.
- **Kea'au Middle School—\$2.5M**
Design, construction, and equipment for a new classroom building.
- **Waiakeawaena Elementary—\$450K**
Construction for additional parking.
- **Volcano Road & Kulani Road Intersection—\$2.8M**
Construction for left turn lane and drainage improvements.
- **Kupulau Road Extension—\$2.75M**
Plans, design, and construction to reduce congestion of traffic on Komohana Street.



Fiscal Biennium 2011-2013
\$1.3B Revenue Shortfall Solutions

\$ figures in millions



Balancing the Budget

Hawai'i, like states across the nation, is in the midst of an economic recession. Thus the biggest task facing the Senate this year was coming up with a balanced budget that would enable essential government services to continue to operate, while minimizing the economic pain on taxpayers and residents. Under the direction of the Governor, all state agencies were ordered to cut their budgets by ten percent for the coming year, but it was the legislature's task to fund all State activities. After hundreds of hours of testimony in dozens of hearings, and many more hours of deliberation with their counterparts in the House of Representatives, the Senate was able to pass out a workable budget complemented by a combination of bills that include a variety of revenue generating components. These include a temporary suspension of some tax exemptions for nearly two dozen businesses, the repeal of some state income tax exemptions and a cap on itemized deductions for higher income taxpayers, and a delay in implementing an increase in personal exemptions and standard deductions for all taxpayers.

The Senate also signed off on a bill that will adjust rental car surcharges and another bill that would move some of the hotel room tax income from the counties to the State. All of these actions should generate hundreds of millions of dollars for the State.

However, while there was some

support from the House of Representatives, the Senate did not pass an overall increase in the State's General Excise Tax, did not pass legislation that would tax pensions and did not agree to increase taxes on soda or liquor.

The salaries of all legislators, members of the State judiciary and appointed State Executives are reviewed and approved from time to time by the State Salary Commission. Four years ago the Commission recommended annual pay raises for such public executives that would have amounted to about \$2,000 additional per year until 2013. However, in 2009 and 2010 the legislature, recognizing the difficult economic situation facing many people in Hawai'i, decided to not take the pay increase and this year, with *House Bill 575*, they again extended the pay reduction so that in 2011 they will actually be getting paid less than the amount approved by the Salary Commission.



Deliberating over the budget