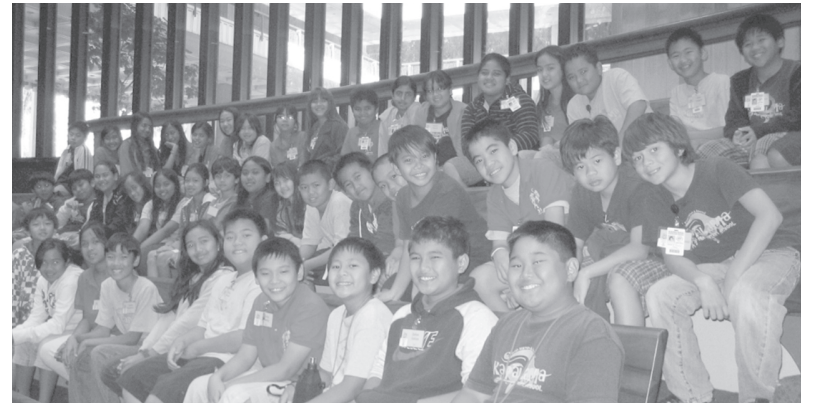
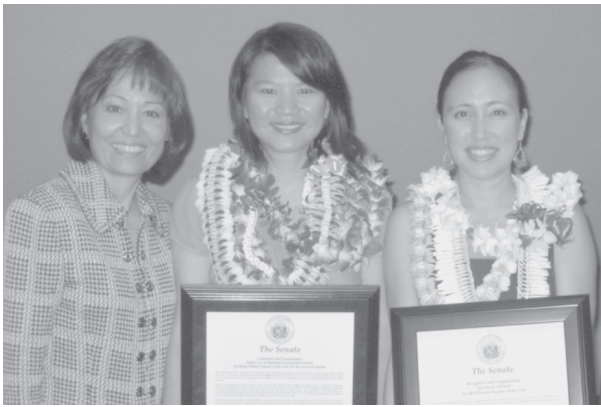


Celebrating 35 years of great music! The Senate recognized renowned island band "Kalapana" in celebration of the band's 35th anniversary. Pictured here with Senator Kim are band members: Gaylord Holomalia, DJ Pratt and Malani Bilyeu.



Students from Kapalama Elementary enjoy "a day at the Capitol".



Senator Kim congratulated Kathy Lin, 2010 Leeward Oahu District Teacher of the Year and Julia Rose LoPresti, 2010 Central Oahu District Teacher of the Year.



Senators Kidani and Kim with Lisa-Anne Tsuruda, recipient of the 2009 Milken Family Foundation National Educator Award.



The Senate honored Jesse Kuhaulua, better known as Takamiyama, Hawaii's first Sumotori.



AARP volunteers thanked Senator Kim for her support of SB 2469 which restored funding for many social service programs.

1528 Onipaa Street | Honolulu, Hawaii 96819 | Website: <http://www.donnakim.com>

Paid for by Friends of Donna Mercado Kim

Donna Mercado
STATE SENATOR
KIM

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Congratulations!

The 2010 Donna Mercado Kim Aloha Spirit Awardees

Every year, Senator Donna Mercado Kim bestows an Aloha Spirit award to a student from Dole, Aiea and Moanalua Middle School. Each school selects the student who portrays those characteristics that encompass the true spirit of Aloha.

These students give of themselves in various ways to their fellow students, teachers and staff. Senator Kim presents each recipient with an individual plaque along with a \$100 savings bond and each school maintains a perpetual plaque.



Marika Witt
Aloha Spirit Award Winner
Moanalua Middle School

Marika is the daughter of Brett and Kayoko Witt. She exceeds all criteria for this award as she cheerfully helps others with kindness and respect at all times. An excellent student with a 4.0 GPA, she voluntarily tutors classmates. Although still in eighth grade, Marika studies advanced high school math and recently

placed second in a Math competition. As a team senator in Student Government and active member of the Leadership class, working to ensure that students have a voice and exert positive influence is one of her many goals. Her many interests include karate, Japanese language, playing the sanshi, unicycling and participating in numerous school events including Multiculture Assembly, Student Talent Competition and School Spirit days.



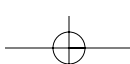
Carleen Fermahin
Aloha Spirit Award Winner
Aiea Intermediate School

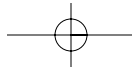
Carleen Fermahin is the ideal candidate for this award as she shares her aloha with the Aiea Intermediate School family. Her smile and positive attitude have an infectious quality that impresses students, faculty, and staff. Tolerance, humility, sharing and respect are part of Carleen's wonderful traits as described by her teachers. Sharing her talents and drawing on her natural ability to connect with others makes Carleen the perfect recipient for this Aloha Spirit Award. The daughter of Mrs. Wanda Fermahin, Aiea Intermediate School is very proud to have Carleen as part of their ohana.



Aimee Garo
Aloha Spirit Award Winner
Dole Middle School

Aimee Garo is the daughter of Sonnie Juan and Emilia Garo. Aimee exemplifies every aspect of the "Aloha Spirit" award. Empathetic to those she works with, a leader with the ability to pull a group together despite differences, she is also humble, patient and loving. Aimee brings tremendous joy to her classmates and teachers. While maintaining a 3.8 to 4.0 GPA, Aimee is also a member of the Student Council, CFES (College for Every Student) Club, and Mrs. Ideta's book club. She is admired, respected and very much appreciated by her teachers and fellow students alike.





COMMUNITY BULLETIN

DISTRICT 14:
ALEWA HEIGHTS
KALIHI
KALIHI VALLEY
MOANALUA GARDENS
MOANALUA VALLEY
RED HILL
HALAWA HEIGHTS
AIEA

Donna Mercado Kim • State Senator

Aloha Friends and Neighbors:

Recession. Deficits. Sacrifices. At the start of the year, these themes were at the forefront of everyone's concerns. Difficulties of the 2010 legislative session were reported extensively in the media. In fact, the demands and challenges of this session far surpassed any I had experienced. By the time we adjourned sine die on April 29th, we felt like we had run a marathon, having endured thousands of hours of work around the clock.

My responsibilities as Chair of the Senate Ways and Means Committee, during the worst recession our State has faced, was to piece together the puzzle of produc-

ing a responsible balanced budget. Our committee spent months reviewing all state departmental budgets, their programs, overtime, vacant positions, equipment purchases, revenues, expenditures, contracts and special funds. We balanced the needs of the State through revenue enhancements and expenditure reductions, including the use of furloughs and cuts in positions and programs. Most importantly, we preserved the social fabric of our community.

I advocated for a budget focusing on two issues: education and core services that safeguard the social safety net. With near unanimous consensus, the Legislature agreed on a \$10.2 billion state budget for the fiscal year 2010-2011

without raising the general excise tax or tapping into the portion of the transient accommodations tax currently provided to the counties. Were some decisions unpopular? Yes. Did I like all of them? No. But the alternative was to raise the general excise tax at a time when businesses and families could least afford it.

There are signs of hope as tourism numbers rise, the housing market appears to be stabilizing, and new forecasts calls for an increase in general fund tax revenue. We are cautiously optimistic that the economy is slowly recovering. As we are not yet out of the woods, I will continue to monitor the state's cash flow and the Council on Revenues projections

while the Legislature is out of session.

As always, I thank you for your continued support and expressions of encouragement. While many of my colleagues choose to seek higher office this election year, I wish to continue to focus my efforts here in the Senate, providing continuity and accountability for the residents of the 14th District.

Aloha and Mahalo,

Donna Mercado Kim
State Senator, 14th District

Highlights and Accomplishments of the 2010 Legislative Session

It was the best of times, it was the worst of times....this quote from Charles Dickens sums up the 60 legislative days of 2010. Both the Senate and House fiscal committees were challenged once again with the task of tackling the huge budget shortfall, this time \$1.2 billion.

The Legislature considered both tax increases and budget cuts to craft a constitutionally balanced state budget. The final budget distributed the impact as widely as possible and kept vital services intact. It did not take any hotel tax money from the counties. Nor did it increase the general excise tax. It re-prioritizes state spending to maintain the most essential services in state government.

The following measures are highlights of the 2010 Session.

HB 2200 State Budget

- Provides \$10.2 billion in overall state spending for the fiscal year 2010-2011
- \$794 million in general fund spending cuts
- \$58 million in tax increases
- \$185 million in tax adjustments
- \$275 million in delayed tax refunds

EDUCATION

SB 2124

Hurricane Relief Fund

- Legislature's commitment to end school furloughs
- \$67 million appropriated from the Hurricane Relief Fund to

restore instructional days to public schools

- Unexpended funds from each school year will lapse to the Hawaii hurricane relief fund

SB 2486 Minimum classroom instruction

- Phases in mandatory minimum number of student instructional time for public schools, excluding charter schools, for kindergarten to grade 12, beginning with the 2011-2012 school year
- Currently there is no minimum
- Corresponds to my annual survey where 85% of constituents felt the Legislature should mandate a minimum number of school days
- 2013-2015: Requires 180 classroom instructional days that includes 1,080 instructional hours
- 2015-2016: Department of Education to submit plan to Legislature to implement school year of 190 days that includes 1,140 student instructional hours

ACCOUNTABILITY

The decision to furlough school employees raised issues of accountability of the Board of Education.

HB 2376

Appointed school board

- A state constitutional amendment will ask voters in November whether the state Board of Education should be appointed by the governor, with the advice and consent of the state Senate
- Proposal brought about with

the idea that the members of an appointed Board of Education would be held accountable by the Governor. If the electorate ratifies this constitutional amendment, HB 2377 will take effect.

HB 2377

School board appointments

- Improves accountability of Hawaii's public education system
- Creates a Selection Advisory Council to present a list of qualified candidates for the school board to the governor
- Members of the Board of Education will be nominated and, with the advice and consent of the Senate, appointed by the Governor

HUMAN SERVICES

This session, many organizations feared loss of funding to services that would especially hit the most vulnerable and at-risk members of our community. A major accomplishment in these hard-pressed times was the preservation of senior safety net programs. The largest addition to the budget was the restoration of 450 state jobs in human services. Among the restored jobs were 128 in child and protective services, 121 in case management and 113 in MedQuest, which helps applicants get health care.

SB 2469 Social services

- \$23.7 million from the Emergency and Budget Reserve Fund (Rainy Day Fund) was

diverted to help many social service programs

- 39 programs were funded, including Healthy Start, a child abuse prevention program; Kokua Kalihi Valley Comprehensive Family Services; YMCA of Honolulu for Weed and Seed program; Adult Friends for Youth; and Kupuna Care, which helps the elderly receive care at home instead of going to nursing homes

SB 2650 Eligibility offices

- Prevented the Director of the Department of Human Services from closing eligibility offices on the Neighbor Islands and instead, provides for a pilot project

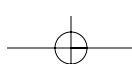
- Department's new processing plan to consolidate the application process for public assistance, food stamps and other social service programs would have negatively impacted many lower-income people, the elderly, and those with limited English skills

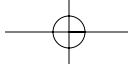
CONSUMER PROTECTION

HB 2169

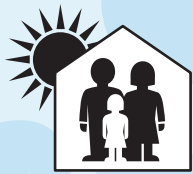
Unemployment insurance

- Reduced an increase in unemployment taxes for businesses by about half. The average tax per employee would be \$630, not \$1,070, as expected
- Average tax per employee was set to increase because of rising unemployment and the depletion of the unemployment trust fund

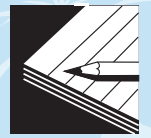




LEGISLATURE 2010



Community Survey 2010

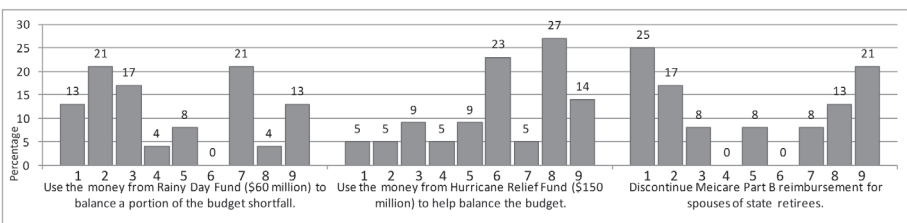


The Survey Results are In!

Thank you to all who took the time to participate in the last Community Bulletin survey. This annual survey gives you an opportunity to voice your opinions regarding various issues facing our community. Your responses and additional comments provided me with insights. To give you an idea of how your neighbors feel on these issues, I am sharing the results of the survey here. Also included are the actions of the Legislature as it relates to the question.

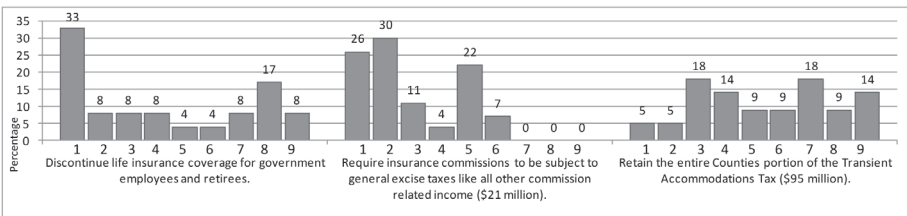
Community Bulletin Survey Results 2010

1. In order to balance the budget, the Legislature will need to find additional revenues and make cuts. I would prefer not raising the general excise tax burden on you. Please rank from 1-9 those measures you would support, with #1 being the area of highest consideration.



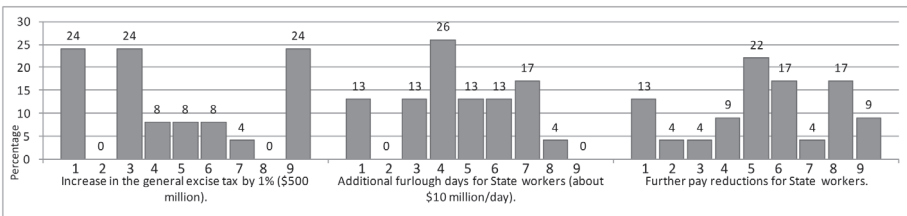
2010 Legislative Session action with regards to using money from special funds:

- the Legislature appropriated \$23 million from the Rainy Day Fund (SB 2469) to fund Health and Human Service programs, and
- \$67 million from the Hurricane Relief Fund (SB 2124) to help restore instructional days at the Department of Education schools due to furloughs.



Measures introduced but did not pass this session included:

- discontinuing Medicare Part B reimbursement for spouses of state retirees,
- discontinuing life insurance coverage for government employees and retirees,
- subjecting insurance commissions to general excise taxes,
- retaining the entire counties' portion of the transient accommodations tax, or
- increasing the general excise tax.



Measures were not proposed to:

- add furlough days for state workers or to further reduce their pay.

2. Should the Legislature change the purpose of the Rainy Day Fund and use \$50 million from this fund for teacher salaries to reduce 10 furlough days?

- 41% Yes
- 59% No

The Legislature appropriated \$67 million from the Hawaii Hurricane Relief Fund and not from the Rainy Day Fund to restore instructional days.

3. The state Department of Education has initiated studies of possible additional consolidation of public schools in three areas on Oahu. Elementary schools being looked at in the Farrington complex are: Fern, Kaewai, Kalihi, Kalihi Kai, Kalihi Uka, Kapalama, Linapuni and Puuhale. In May, the closure of Wailupe Valley Elementary led to \$630,000 in annual savings to the state. Would you be in favor of closure of a school if the savings generated is reallocated to the remaining schools?

- 85% Yes
- 15% No

The Board of Education is continuing to look at school closures in different areas in the State because of declining enrollment and rising expenses.

4. Should teachers give up some or all planning days in order to increase the number of instructional days?

- 59% Some
- 21% All
- 7% None

While the Legislature passed HB 2486 that mandates minimum student instructional time, whether or not teachers reduce their planning days is subject to collective bargaining

5. The current number of school days in Hawai'i is 180 (including planning days). With furloughs, the number of school days declined to 163. Should the Legislature mandate a minimum number of instructional school days?

- 85% Yes
- 15% No

The Legislature passed HB 2486 which phases in mandatory minimum student instructional time for public schools, excluding charter schools. Starting 2011-2013, the school year will consist of 180 days, excluding professional development days and other non-instructional days negotiated. For elementary school-915 instructional hours; for secondary school-990 instructional hours. For 2013-2015, the instructional hours increase to 1,080 for elementary and secondary schools.

6. One of the elements of student reform required by "Race to the Top" funding is improving teacher effectiveness based on performance. Should the Board of Education adopt mandatory teacher evaluation and link pay increases and incentives to performance and student achievement?

- 88% Yes
- 13% No

7. Another element of student reform required by "Race to the Top" is the development and adoption of a common set of K-12 standards that prepare students to succeed in college and the workplace. Should the Board of Education adopt a statewide standardized curriculum?

- 92% Yes
- 8% No

Hawaii became one of the first states to approve draft Common Core State Standards aimed at better preparing students for college and careers. On May 20, 2010, the Board of Education gave initial approval to the K-12 standards in English and Mathematics that are being developed through a national effort. Once these standards are implemented in the 2011-12 school year, public schools in Hawaii and nationwide will base their teaching on the same set of standards. Common standards are part of the current federal effort to reform public education. This is expected to help Hawaii's bid to secure federal Race to the Top grants

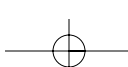
8. Should charter schools also be subject to the same set of standardized goals and student achievement as public schools?

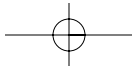
- 78% Yes
- 22% No

Changes for 2010 Election

The 2010 election plan changes a number of polling places that were open during the 2008 elections. This is a result of the Office of Elections' current staffing and funding conditions. Below is a chart to help you find your voting station this year.

If you voted at this Polling Place in 2008	This is your Polling Place in 2010	Address
29-01 Fern Elementary	29-01 Fern Elementary	1121 Middle Street
29-02 Kalihi Waena Elementary		
30-01 Kalihi Elementary	30-01 Kapalama Elementary	1601 N. School Street
30-03 Kapalama Elementary		
30-02 Kalihi Uka Elementary	30-02 Kalihi Uka Elementary	2411 Kalihi Street
30-04 Kalihi Uka Community Park		
30-05 Moanalua Elementary	30-03 Moanalua Elementary(no change)	1337 Mahiole Street
30-06 Kaewai Elementary	30-04 Kaewai Elementary(no change)	1929 Kamehameha IV Rd
31-01 Moanalua Middle	31-01 Moanalua Middle(no change)	1289 Mahiole Street
33-01 Red Hill Elementary	33-02 Halawa District Park	99-795 Iwaiwa Street
33-02 Halawa District Park		
33-03 Webling Elementary		





LEGISLATURE 2010

Senator Kim on the Hot Seat

Question: According to the media, there were many Senators in favor of raising the general excise tax from 4 percent to 5 percent – or to 5.5 percent on Oahu. Why did you oppose increasing the GET and not submit to all the pressure levied on you?

Answer: Not only did I get the sense that the majority of the district I represent oppose this increase, so did many businesses. After much research, I concluded that a broad-based tax increase could not be supported at this time. With other options at our disposal, I felt that such a policy would threaten businesses, especially small businesses, which would be forced to lay off the very people we are trying to help. Furthermore, the negative effect an increase in the GET could have on consumers may have a corresponding impact on dollars circulating in Hawaii's economy. I believe such an increase should only be considered once we have exhausted other viable alternatives. If our economy does not recover, we may have to look to a broad-based tax increase in 2011 as we search for options in the future.

Question: Why did the Legislature take \$67 million from the Hurricane

Relief Fund which was paid for by homeowners to end school furloughs? Couldn't they instead use general funds or take it from the Education budget which is around \$2 billion?

Answer: The Hawaii Hurricane Relief Fund was established by the State in 1993 after Hurricane Iniki's devastation resulted in a property insurance crisis. With the departure of private insurance companies, the State then provided insurance for many homeowners. After the crisis, private insurers returned to the market and the State no longer had to provide these policies. The Legislature has tried to preserve the \$180 million within the fund in the event of another hurricane, even though money held by the fund was intended to revert to the general fund after the disbursement of claims.

With the current general fund tax deficit, the Legislature had to consider other revenues. And the Department of Education's operating budget had already suffered severe reductions and restrictions. At the end of the day, utilizing \$67 million out of the \$180 million in the Hurricane Fund to restore furlough days for the 2010-2011 school

year was by far, the best option and passed near unanimously.

Question: You were one of seven Senators voting against HB 444 which grants same sex and heterosexual partners who enter into civil unions the same rights, benefits and responsibilities as married couples under state law. What is your position on giving same sex couples equal rights?

Answer: For the record, I support civil rights and I would support a bill that affords civil rights to same sex couples. However, I believe that marriage is between a man and a woman. I agree with the Hawaii Supreme Court in the case of *Baehr v. Levin*, 74 Haw. 530, 557 (1993), which held that: "(W)e do not believe that a right to same-sex marriage is so rooted in the traditions and collective conscience of our people that failure to recognize it would violate the fundamental principles of liberty and justice... Accordingly, we hold that same-sex couples do not have a fundamental constitutional right to same-sex marriage..." While HB 444 was amended to reflect civil unions, there are still questions about the language in the bill, thus, I opposed

it. I am also concerned with unknown tax implications and a retroactive effective date of January 1, 2010, with the potential for more questions or lawsuits.

Question: Why did you propose moving the film office from the Department of Business, Economic Development and Tourism (DBEDT) to the Hawaii Tourism Authority (HTA)?

Answer: The film industry is important to Hawaii's economy. It generates \$150 to \$200 million annually which will aid in Hawaii's economic recovery. So I was surprised and dismayed that the Governor reduced the Film Branch and terminated four of the six Film Industry Branch employees with the reduction in force (RIF) implemented late last year. This bill would have moved the Film Branch to the Hawaii Tourism Authority and restored the four terminated positions, bringing the Film Branch back to six. With access to HTA's resources and marketing expertise, the Film Industry Branch would be better able to draw film projects to Hawaii. However, the bill was held hostage by the House and died in Conference.

Make a Difference! Proposed Development on Site of former Kam Drive-In

First, no drive-in. Soon, no swap meet? The Robertson Properties Group has proposed a mixed-use residential/commercial development on the site of the former Kam Drive-In. This site at the corner of Kaonohi Street and Kamehameha Highway is just a half mile from a planned rail transit stop. Discussions with civic groups and neighboring condo associations to identify issues are still in the planning stages this summer.

At the Aiea Neighborhood board meeting held on May 10, 2010, a presentation was given by John Manavian for the Robertson Properties Group. Residents packed the Pearlridge Elementary cafeteria and saw a proposal for three 35-story residential high rises with 1,800 residential units. Amid these high rises would be retail units creating a shopping center.

Residents attending this meeting expressed concerns, especially regarding traffic. Many residents have approached me asking how

they can get involved in the decision-making process. These are my recommendations:

- Get involved! Attend as many "planning sessions" as you can. When the environmental impact statement is put out for public comment, provide input.
- Contact your State and City representatives. Question their position on the development. Vote for the Mayoral, Council and State candidates that support your position.
- Contact City Councilmembers to gain support for your position.
- Contact the City Planning Commission members who will be making recommendations to the Council.

Mr Terrance Ware has been retained by the City as a Transit Oriented Development administrator and has been engaged in discussions with the Robertson Properties Group. He is available to answer your questions at 758-8294.

Senate Food Bank Fundraising Campaign

February – April 2010

"Two garlic chicken orders with brown rice, five orders with regular rice...coming up!"

The order calls were deftly filled by staffer's hands as the enticing aroma drifted into the hallway. This garlic chicken plate lunch sale was one of four events (popcorn sale, T-shirt sale and veggie box sale) that Senator Kim's office contributed proceeds to the 2010 Senate Food Bank Fundraising Campaign.

With that chicken sale, participation in the spirited fundraising competition was in full swing. And spirited it was! With many Capitol staffers glued to their desks this past session, making food available in



Senator Kim and staff member Jo Ann Fukao spearheaded a Food Bank fundraiser offering organic vegetable boxes.

the square building proved to be one of the most popular venues of fundraising. Creative lunches and food offerings such as vegetables fresh from a farm, bake sales, Indian curry plates, Puerto Rican plates and bentos helped fill the Food Bank coffers during the three month challenge. As for non-food events,

a golf putting challenge and raffle provided a dash of levity to the mix.

Collectively, the Senate donated \$18,160 to the Hawaii Food Bank. 131,000 individuals, of which nearly 33,000 are children, will receive this contribution through food programs, pantries and soup kitchens.

