

Senator Shan S. Tsutsui

(D) 4th Senatorial District— Wailuku, Waihee, Kahului, Paia, Lower Paia



Aloha Neighbors,

Thank you for the honor and privilege to serve as your Senator in the Hawaii State Legislature. I am deeply humbled by your continued support and remain dedicated to serving the needs of our community.

Faced with a sluggish economy and 1.3 billion dollar budget shortfall, my first session as President of the Senate was without a doubt extremely challenging.

However, in this session recap, I will share with you how my colleagues and I unified under two guiding principles to balance the budget while maintaining and streamlining core government functions.

As my staff and I move into the interim, we will continue working toward positive changes to benefit our community and State as a whole. As always, please contact my office if we can be of any assistance to you.

Sincerely,

Shan S. Tsutsui

Senator Shan S. Tsutsui

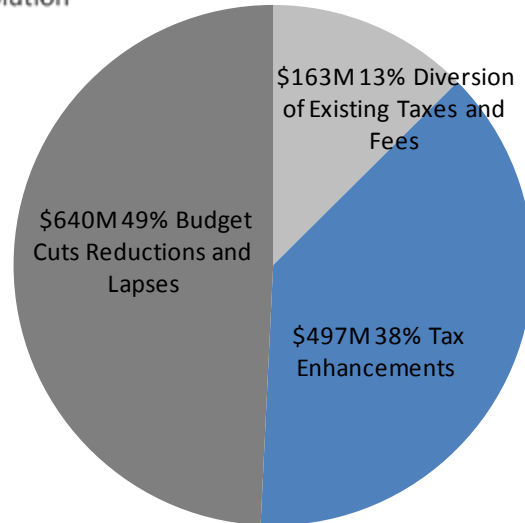
District 4 Capital Improvement Projects

Education		
Baldwin High	Design and Construction for Public Accommodation Transition Plan Renovation of Science Labs	\$800,000 TBD
Maui High	Roof Renovations	\$9,954
	Paint Interior	\$22,827
	Replace doors and panic door hardware	\$19,271
	Renovation of Science Labs	TBD
Iao Intermediate	Roof Renovations	\$12,931
Paia Elementary	SpEd Preschool portable renovations	\$500,000
Kahului Elementary	Library A/C	\$1,000,000
Lihikai Elementary	Roof Renovations	\$63,598
King Kekaulike High	Design for new auditorium and ground improvements	\$1,950,000
Community		
Hale Hooluolu Hospice Facility	Plans, land acquisition, design and construction for a new hospice center	\$500,000
Central Maui Regional Park	Plans, land acquisition, design and construction for a new regional park complex	\$9,000,000
Maui Science Building	Construction and equipment for renovation of the existing science building	\$4,501,000
Maui Memorial Medical Center	Facility Expansion for imaging, laboratory, pharmacy, and other departments	\$3,000,000
	Fire sprinklers, smoke detectors and signage	\$1,680,000
	Air conditioning upgrades	\$1,600,000
	Plumbing Improvements	\$2,000,000
	Dietary equipment upgrades	\$1,000,000
Airports		
Kahului Airport	Re-roofing of terminal buildings and other related projects	\$7,500,000
	Passenger Information System Improvements	\$2,500,000
	Loading Bridge Modernization	\$9,620,000
	Terminal Improvements	\$3,000,000
	Land Acquisition	\$11,625,000
Roads & Highways		
Kahului Baseyard	Design, construction and equipment for improvements	\$800,000
Existing Intersections and Highways	Design and construction for miscellaneous improvements	\$2,815,000
Kahului Airport Access Road	Construction for a portion of the new access road to Kahului Airport from Puunene Avenue to Hana Highway	\$9,525,000
Haleakala Highway Improvements	Construction for improvements and to install right turn lane and walkways/paved shoulder	\$1,500,000
Harbors		
Kahului Harbor	Costs related to Harbor Modernization Plan	\$48,400,000

“Pūpūkāhi I Holomua” *United To Move Forward*

A summary of the 2011 Budget and Senate Majority Legislative Priorities

Fiscal Biennium 2011-2013
\$1.3 Billion Revenue Shortfall Solution



How the Budget was Balanced

In 2009 the Legislature of the State of Hawaii faced an unprecedented budget shortfall of approximately \$2.1 billion through the end of the fiscal biennium. In 2010 the State's economy remained sluggish, resulting in an additional \$1.2 billion shortfall. Currently, we are faced with an even larger shortfall which is now estimated to be \$1.3 billion.

By using two guiding principles the 2011 Legislature developed a balanced biennium budget that would address a declining revenue landscape that has continued to present our State with a budget shortfall year after year. The first of those principles was that the Legislature identify and support those programs and services that are core and essential to the functioning of State Government. The second is, the Legislature would make strategic investments in people and programs that encourage long term economic growth, lower long-term future cost, and provide meaningful and efficient public services.

Even before tackling the \$1.3 billion shortfall for the next fiscal biennium, the 2011 Legislature had to address a \$200 million shortfall in the current fiscal year due to dropping revenue collections from a persistently sluggish economy. With the immediacy of this shortfall occurring in this fiscal year, the options for the Legislature were limited to the tapping of the State's special reserve funds. The shortfall for this fiscal year was corrected with the transfer of \$16 million from non-general funds, \$40 million from the State's "Rainy Day Fund" and \$42 million from the State's Hurricane Relief Fund, with authorization for the Governor to use up to another \$75 million in Hurricane Relief Funds if necessary.

To deal with the \$1.3 billion shortfall for the next fiscal biennium budget, the Legislature used a balanced approach as mentioned previously by using \$640 million in budget cuts, reductions and lapses coupled with revenue enhancements, such as suspending tax exemptions, limiting itemized deductions for higher incomes, diverting existing taxes and fees, and non-general fund transfers, totaling \$660 million to balance the 2011-2013 biennium budget.

The Legislature's approach to balancing this biennium budget was impacted by lessons learned over the past several years and a renewed sense of purpose provided by the positive direction that was expressed in Governor Abercrombie's "A New Day in Hawaii" plan. The 2011 Legislature has had to make hard choices and cuts in this biennium budget, but gave the new Governor the flexibility to wisely use the economic downturn as an opportunity to look at the executive branch's organizational structure and develop proposals and initiatives that the Legislature can evaluate and implement to streamline State Government in the 2012 Legislative Session.

2011 Budget Highlights

Human Services

Understanding the importance of protecting our State's vulnerable population, the Legislature supported the Department of Human Services by providing the following:

\$247 million in fiscal year 2011-2012 and \$288 million in fiscal year 2012-2013, which will be matched with federal dollars, to fund health care payments for Medicaid beneficiaries.

\$70,400 in general funds to implement the Electronic Health Record Incentive Program, which will receive \$668,232 in federal matching funds.

\$2.9 million in general funds for a new MedQUEST Division computer-based eligibility system, which will receive \$26.5 million in federal matching funds.

\$45.2 million for programs in Temporary Assistance for Needy Families (TANF) and \$12.8 million cash assistance funds for Temporary Assistance for Other Needy Families (TAONF) .

Health

Recognizing the dire situation the Department of Health is in due to prior budget reductions, layoffs and decreasing federal matching funds, the Legislature appropriated funds to the following core programs:

\$3.3 million for fiscal year 2011-2012 and \$3.4 million for fiscal year 2012-2013 for the Adult Mental Health Division.

\$2.4 million for fiscal year 2011-2012 and \$2.5 million for fiscal year 2012-2013 for the Child and Adolescent Mental Health Division.

\$9.9 million for fiscal year 2011-2012 and \$11.2 million for fiscal year 2012-2013 for the Developmental Disability Division.

\$2.1 million for fiscal year 2011-2012 to make up for a projected shortfall in the Early Intervention Program.

Education

Committed to funding an education system that supports the ability of our teachers and principals to provide our students with the best public education in the nation, the Legislature did the following:

Restored an estimated \$60 million to allow the continuation of the current non-furlough level of instructional days.

Added \$2.1 million to sustain the level of contracted nursing services for the Individuals with Disabilities Education Act and Section 504 eligible students.

Added three positions to aid the DOE in internal audits and investigations to help the department work with the newly appointed Board of Education in identifying troublesome issues and provide viable solutions.

Core Government Functions

The 2011 Legislature developed a balanced biennium budget using two guiding principles: First, identifying core government functions and second, making strategic investments in programs and people that provide meaningful and efficient public services. The following was appropriated this session:

\$131,377 for six adult corrections officer positions in the Hawaii Community Correctional Center.

\$250,000 to properly equip the Division of Conservation and Resource Enforcement (DOCARE) officers that protect the State's natural resources.

\$109,101 to the State Civil Defense for fiscal year 2011-2012 and \$218,201 for fiscal year 2012-2013.



2011 Legislative Highlights

Education

Senate Bill 8 (Act 5) Appointed Board of Education (BOE) - In the November 2010 election, 57% of the voters in Hawaii decisively approved a constitutional amendment to allow the State to go from an elected to an appointed Board of Education. With a clear mandate for an appointed BOE and the importance of establishing a clear line of accountability for DOE initiatives such as a new biennium budget and reform measures for the Department of Education's (DOE) successful application for federal "Race to the Top" funds, the 2011 Legislature expedited a measures that was critical to establishing the implementing procedures for the appointed Board of Education. Senate Bill 8 (Act 5) provided the Governor the process and authority to appoint a nine member BOE that will consist of a representative from each county as well as three at large members.

Healthcare

House Bill 1134 Prepaid Healthcare— Residents of Hawaii have benefitted from expanded health care coverage under the Prepaid Healthcare Act for over 30 years. As a result we enjoy some of the lowest uninsured rates in the country along with access to comprehensive benefits for lower premiums with employer-based coverage. House Bill 1134 ensures Hawaii residents continue to receive top-quality health care, regardless of recently enacted national Federal health care laws, by repealing the provision of the Hawaii Prepaid Health Care Act that sunsets upon enactment of a national health plan.

Consumer Protection and Public Safety

Senate Bill 651 (Act 48) Mortgage Foreclosure Reform- The number of residential mortgage foreclosures in Hawaii has increased rapidly during this current period of economic recession and has earned Hawaii the unfortunate distinction of having one of the highest foreclosure rates in the country. Senate Bill 651 (Act 48) incorporates the recommendations of the Mortgage Foreclosure Task Force to provide legislation for the reform of our State's residential foreclosure system. The following are some of the major changes that this measure has implemented:

- Establishes a mortgage foreclosure dispute resolution program available to owner-occupants of residential real property who have resided at the property for at least two hundred consecutive days.
- Provides an option to convert a non-judicial foreclosure to a judicial action.
- Strengthens notice requirements and consumer protections for non-judicial foreclosures.

Equal Rights and Hawaiian Rights

Senate Bill 1520 Native Hawaiian Recognition- This measure is one more step in the journey to correct the injustices of the past that have been committed against the indigenous people of Hawaii. This law is the State's commitment to acknowledge and recognize the first indigenous people of Hawaii and is intended to move in concert with Senator Akaka and the Hawaii Congressional Delegation's efforts to achieve federal recognition of the Native Hawaiian people. Senate Bill 1520 establishes a new chapter in the Hawaii Revised Statutes to provide for the State's recognition of the Hawaiian People as the only indigenous, aboriginal, maoli people of Hawaii and establish a process for the Native Hawaiians to organize themselves in their continuing efforts to gain federal recognition.



Senator Tsutsui's Staff from L to R-- Ross Tsukenjo, Brian Hiranaga, Jonathan Ching, Jena Tadio, Joanne Nakashima, Keira Kamiya, Page Kraker, Wendy Kondo

