

Aloha! The 2010 election brought exciting changes to the State with the selection of Governor Abercrombie as the new Chief Executive. He and his Administration wasted no time in making extremely controversial proposals to solve the state's continuing budget woes.



Although not all the proposals were approved by the Legislature, the 2011 Session saw an attempt to bring structural fixes to our budget, and, at the same time, investment in areas that will break our dependence on fossil fuels and enhance energy and food security.

Details provided in this newsletter will show you how the Legislature and Governor Abercrombie stepped up to make the extremely difficult choices needed to balance the budget.

Clearly, our work is not over. In the coming months, the Governor and his Department Directors will continue to trim the budget and retool and reprioritize state programs. It's up to each of us to actively engage in this process where we can to ensure the government we want to see when we emerge from this historic recession. We all have ideas to share.

I look forward to working with each of you, my colleagues, and other communities throughout the State as we continue to develop funding priorities for our future. To give you a clearer understanding of our accomplishments, this newsletter provides summaries of what was achieved at the Legislature and within the 39th District.

It has truly been an honor to represent you at the Legislature. Should you have any questions or would like additional information, please do not hesitate to contact me at 586-6200.

Sincerely,

Representative Marcus R. Oshiro

COMMUNITY REPORT

email: repmoshiro@capitol.hawaii.gov Ph: 586-6200 Fax: 586-6201 2011 Legislative Session

Representative Oshiro is Proud to Announce Funding for District 39 Improvement Projects

2011-2012 Capital Improvement Projects

- \$2,500,000** for plans, design, and construction for modernization and expansion of the emergency department of Wahiawa General Hospital.
- \$2,000,000** for plans, and design for a permanent court facility for Wahiawa.
- \$1,000,000** for various improvements at Wahiawa Freshwater State Recreation Area.
- \$400,000** for land acquisition to replace a multi-girder reinforced concrete bridge situated north of the Kamehameha Highway/Kaukonahua Road Junction (between Poamoho Camp and the Dole and Helemano Plantations), including bridge railings, pedestrian walkways and other improvements.



Rep. Oshiro with Trinity Lutheran School students and teachers in the House Chamber.

In addition, \$5,529,493 has been appropriated for repair & maintenance projects at District 39 schools.

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| HELEMANO ELEMENTARY | LEILEHUA HIGH |
| \$500,000 for plans, design, and construction for new library. | \$3,500,000 for renovation of existing science labs. |
| ILIAHI ELEMENTARY | \$23,363 to reroof building EE. |
| \$1,500,000 for design, and construction for installation of covering for play court. | \$6,130 to remove diesel tank. |
- Rep. Oshiro's mid-session legislative forum group with Governor Neil Abercrombie.*



End of Session Highlights - 2011

At the start of the session, the primary challenge of the legislature was how to rectify a \$1.3 billion deficit (over the period including the current FY11 and the next biennium FY12 and FY13), after facing and closing a \$2.1 billion deficit in 2009 and another \$1.2 billion in 2010. As in 2009 and 2010, the Legislature achieved a balanced budget this year through a combination of budget cuts and increasing revenue. About half of the deficit was closed by making cuts to the state budget, and we avoided having to raise the general excise tax (GET) which would have seriously impacted every resident and business in the state.

How the Budget Was Balanced

HB200 State budget bill. Covers the next two years and appropriates \$5.4 billion in General Funds (\$11 billion in All Means of Financing) for FY2012, and \$5.5 billion (\$10.9 billion in All MOF) for FY2013. In order to solve a projected deficit of about \$1.0 billion over the next biennium, the Legislature made over \$600 million in cuts and passed revenue generating or transfers bills totaling over \$600 million (the financial plan leaves a healthy projected surplus in case revenue projections fall again).

Included in the cuts are labor savings of \$88.2 million in each year of the biennium on the assumption that most state workers will take a 5% pay cut. In addition, the Legislature passed HB575 Extension of salary cuts which extended a 5% pay cut for state legislators, judges, the governor, lieutenant governor, and department heads and deputies.

Revenue Generation Bills

SB120 Non-general fund transfers. Transfers \$38 million from special funds to the general fund.

SB570 Tax deduction. Eliminates the de-

duction for state taxes paid for high income individuals, temporarily limits itemized deductions for high income individuals, and delays the standard deduction increase for low-income filers. Generates \$113.5 million.

SB754 Repeal GET exemptions. Repeals various GET business exemptions for 2 years. Generates \$385.8 million.

SB1186 TAT and HTA Cap. Caps the counties' share of the Transient Accommodations Tax (TAT) until 2015 generating \$40.4 million. Caps the TAT going to the Hawaii Tourism Authority generating \$34.9 million.

HB1039 Rental Vehicle Surcharge. Increases the rental vehicle surcharge for one year and diverts the increase to the General Fund for FY12 only. Generates \$60 million for FY12.

Government Reform

HB1038 Employees' Retirement System unfunded liability. For state and county workers hired prospectively (after June 30, 2012), the bill makes needed changes by decreasing employees' benefits and increasing contribution rates in order to maintain the retirement system in a fiscally responsible manner and reduce the state's unfunded liability in the future.

Protecting Consumers, Business and Labor

SB651 Mortgage foreclosures. With the passage of this bill, signed into law as Act 48, Hawaii has one of the strongest mortgage foreclosure laws protecting owner-occupants in the country. The new law establishes a 3-year Mortgage Foreclosure Dispute Resolution Program for non-judicial foreclosures beginning no later than October 1, 2011. The law voids any mortgage foreclosure actions taken by an unlicensed non-exempt mortgage servicer and prohibits

egregious misconduct by foreclosing mortgagees.

Among other things, the law also permits under certain circumstances the conversion of non-judicial foreclosures to judicial foreclosures. The law prohibits deficiency judgments after non-judicial foreclosures under certain circumstances. It also requires certain large mortgage servicers to maintain an office in Hawaii to address consumer inquiries, complaints, and to accept service of process starting July 1, 2012. There is now a moratorium on any new non-judicial foreclosure under the old process until July 1, 2012.

HB663 Automatic renewal clauses. Requires that any automatic renewal clauses in consumer product and service contracts be clearly disclosed, as well as how the contract can be cancelled, with specific notification requirements for contracts with terms of 12 months or more.

HB141 Labor trafficking. Establishes Class A and B felony offenses for labor trafficking, an offense for nonpayment of wages, and an offense for unlawful conduct with respect to documents.

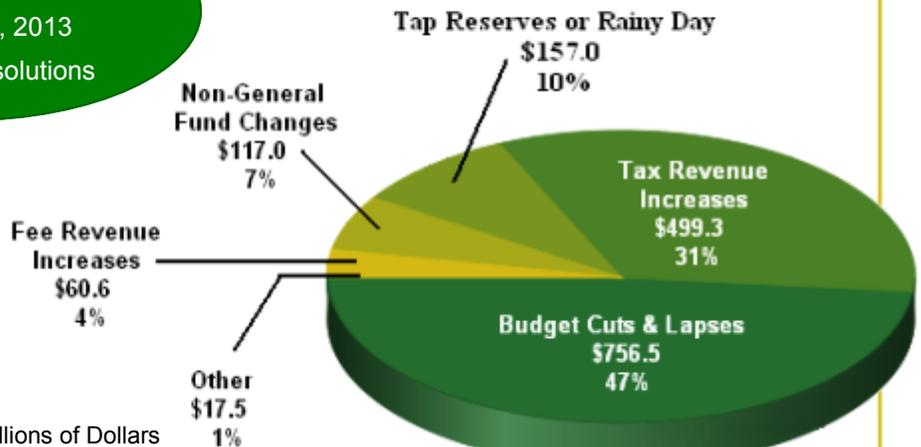
Improving Education

SB8 Appointed BOE. Implements the constitutional amendment passed by voters in 2010 requiring that the Board of Education members be appointed by the governor with the advice and consent of the Senate. Allows the governor to nominate candidates directly and requires those nominees to meet certain qualifications.

HB945 Student instructional time. Implements the minimum school year and student instructional hours requirements passed last session in a feasible and fiscally responsible way. Exempts multi-track schools from the requirement, staggers the implementation of

\$1.3 billion
shortfall between July 1, 2010
and June 30, 2013
\$1.6 billion in solutions

Budget Deficit Solutions



Rep. Oshiro addresses budget solutions.



Rep. Oshiro with House Finance and Senate Ways and Means committee members during budget conference negotiations.

the student instructional hours requirements, permits waivers, and requires the DOE to assess the ability of schools to comply.

SB1485 Reconstituting schools. Authorizes the Superintendent of Education to reconstitute public schools that are failing, not including charter schools. Under reconstitution, the superintendent may replace staff, contract with a private entity to manage the school, and/or change the membership of the school community council.

Promoting Renewable Energy

SB1244 Biofuels. Expands the renewable energy siting process to include biofuel production facilities with the capacity to produce and distribute 100,000 gallons or more of biofuel annually.

SB181 Photovoltaic for single family homes. Establishes a working group to determine the feasibility of requiring all new residential single family construction to incorporate the design and minimum installation equipment needed for future adoption of a photovoltaic system.

Protecting the Environment

HB865 Invasive species. Provides the state with increased revenue to detect, quarantine and eradicate invasive species. Signed into law as Act 36, the measure raises inspection fees from 50 cents to 75 cents per 1,000 pounds of freight, or part thereof, brought into the state.

Health

HB597 Quality Assurance Committees. Establishes that the proceedings and records of quality assurance committees made up of members from various healthcare organizations have similar protections as committees formed in hospitals, HMO's and statewide trauma care systems. Increases patient safety and overall quality of care.

SB1348 Health Insurance Exchange. Establishes the Hawaii Health Connector, the state's health insurance exchange, pursuant to the federal Patient Protection and Affordable Care Act of 2010. The Connector will facilitate the purchase and sale of qualified health and dental plans, enable consumers to purchase coverage and manage health and dental plans electronically, and serve as a clearinghouse for information.

HB484 Advanced practice registered nurses. Requires hospitals to allow advanced practice registered nurses to practice within the full scope of their allowable practice, including as a primary care provider. Authorizes prescriptive authority to request and dispense manufacturer's pre-packaged samples of over-the-counter and non-controlled legend drugs.

Housing

HB960 Low income housing tax credits. Authorizes the Hawaii Housing Finance and Development Corporation to grant no-interest low-income housing tax credit loans in order to encourage the development and preservation of rental housing for lower income families.

SB903 Affordable rental units. Creates the affordable rental housing development program. Allows non-profits to acquire expiring federal housing contracts to ensure that projects remain as affordable housing.

Human Services

HB616 Child custody visitation. Clarifies that visitation rights may include visitation by electronic communication. Allows the court to set conditions for electronic communication visitation, and prohibits it in certain circumstances.

HB739 Community care foster family homes. Community care foster family homes that accept a third client are required to be certified and in operation for at least one year, have substitute caregivers who are nurse aides and who have completed a state-approved training program. Requires the Department of Human Services to adopt rule for community care foster family homes with three clients.

SB921 Emergency shelter for minors. Allows certain providers to provide emergency shelter and related services for a consenting minor at no cost under specific circumstances.

Promoting Economic Revitalization

HB331/SB1530 Public land lease extensions. Authorizes the Board of Land and Natural Resources to extend leases of public lands. HB331 allows the Board to extend the fixed rental period or term of certain leases

provided the initial term and extension does not exceed 65 years. SB1530 pertains to leases for hotel or resort use upon approval of a development agreement outlining significant improvements to existing property.

HB1566 Ala Wai boat harbor redevelopment. Allows the Board of Land and Natural Resources to lease fast and submerged lands at the Ala Wai small boat harbor for private development. Permits commercial use permits for vessels moored at Ala Wai and Keehi boat harbors.

HB1342 Broadband infrastructure. Exempts broadband infrastructure improvements from state and county permitting for five years under certain conditions.

Public Safety

SB1025 Assault of firefighters and water safety officers; Home invasions. Adds the assault of firefighters and water safety officers to the offense of assault in the second degree. Also creates a class B felony for unauthorized entry into a dwelling, based on the occupant's age and incapacity.

Civil Rights

SB232 Civil Unions. Extends the same rights, benefits, protections, and responsibilities of spouses in a marriage to partners in a civil union. Takes effect January 1, 2012.

HB546 Gender Identity. Prohibits discrimination on the basis of gender identity, both as a matter of public policy and with regard to employment practices.

Native Hawaiians

SB1520 Native Hawaiian roll commission. Establishes a 5-member commission in the Office of Hawaiian Affairs to prepare and maintain a roll of qualified native Hawaiians. The commission is required to publish the roll to facilitate the start of a commencement for the purpose of organization.

SB2 Public land inventory. Requires the Department of Land and Natural Resources to establish a public lands information system. The purpose is to maintain comprehensive information about the lands held in the public land trust as described in the Admission Act of the Hawaii State Constitution. The trust status of these lands will be further studied and reviewed for accuracy.

HB 1178 - Relating to Vehicle Audio Equipment

HB 1178 would have prohibited the after-market installation of certain types of speakers in cars and trucks. The intent of this bill was to curb the "booming" sounds that disrupt our neighborhoods, often shaking walls and rattling windows. The bill was front-page news in the Honolulu Star-Advertiser: "Bill bans pumping up car stereos", February 9, 2011, and prominent on TV newscasts. It also drew much attention from retailers and audio fans, many of whom testified at a February 9 hearing of the House Transportation Committee.

The bill was deferred, but inspired the creation of a new audio-industry group, Electronics Association-Hawaii (EA-Hawaii), which is working to find lasting solutions to the noise concerns. Organizers from EA-Hawaii met with Representative Oshiro in May to update him on its progress to distribute educational handouts on noise ordinances and hearing loss and other safety issues.

HB 853 - Relating to the Bank of the State of Hawaii

HB 853 would establish a State owned bank similar to North Dakota's famed Bank of North Dakota. The bank would serve as a "banker's bank" and work with local commercial banks to leverage conventional loans, equity, and investment capital using public funds and investment interest. Analysis done by Demos reveals that a state bank could create 2,840 new small business and farm jobs, and could potentially generate \$98 million in revenue for the state over 10 years.

The bill was amended and passed through the House of Representatives as a two-year task force which would convene to study the viability of state owned bank for Hawaii. The task force's mission is to consider the establishment of a state bank as an alternative source of loan capital for new investments and small business start-ups.

The measure was deferred by the Senate Economic Development and Tourism and Consumer Protection Committees but it still remains alive for next session.



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Rep. Oshiro with Aged to Perfection members at a recent visit to the Capitol.



Rep. Oshiro with Yuuko Arikawa, 2010 Milken National Educator Award winner honored in the House Chamber.



Rep. Oshiro with Agriculture Director Russell Kokubun, UH Quarterback Bryant Moniz, & Ruth Oshiro at the WCBA annual meeting.



Mr. Glade Holyoak, Rep. Ty Cullen, Rep. Oshiro, Rep. Henry Aquino, and Rep. Ryan Yamane tour the SBX "golfball" at Pearl Harbor.