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North Shore News



**A Message From  
State Representative  
Gil Riviere**

Aloha, North Shore!

The budget. What will we do about the state budget? We have a budget shortfall for the current year and an estimated \$1.3 billion dollar deficit over the next two years. Our state constitution requires a balanced budget, so ignoring the deficit is not an option.

With 70 percent of the state budget going to salaries and benefits, the Governor's negotiations on collective bargaining contracts is incredibly important to this budget crisis. The remainder of the gap will need to be closed with higher taxes and/or severe cuts to programs.

As a member of the House Finance Committee, I have had a front row seat to numerous bills that might help close the budget gap: some good, some painful and some awful. Depending on one's perspective, all of these bills could be considered awful.

The good bills make structural changes for long term financial security of our state by increasing contributions to the Employee Retirement System, which is \$7-9 billion under-funded; setting a minimum state retirement age at 55; and adjusting future retirement

benefits for future state employees.

The painful bills aim to replenish funds which have been severely depleted since an earlier Legislature raided highway funds a few years ago. This fund needs to have at least \$85 million to properly function, but presently has only \$20 million. Several bills would increase vehicle registration and weight fees, rental car taxes, and fuel taxes.

The awful bills include an increase in the General Excise Tax rate and tax on pension income. The GET is the most regressive of taxes, which means our lowest income residents are most impacted by the possible 25% increase. The Senate has considered this measure, but the House seems serious about blocking its passage. The Pension Tax, if implemented, will surely include every pensioner in the future, so don't be fooled by assurances that it is will only apply to "the rich."

The final votes on the budget bills and many others issues will be coming in the first week of May. If you would like to take a crack at making the budget decisions yourself with an on-line spreadsheet, check out [www.HawaiiStateBudgetOnline.com](http://www.HawaiiStateBudgetOnline.com)

Congratulation to Mrs. Hawaii 2011, Lara Leimana Fonoimoana, from Laie, who is representing our state in the 35th Annual Mrs. America Pageant!

Remember that you are always welcome to visit us in Room 319 at the Capitol, we encourage you to share your thoughts with a phone call to 586-6380, and you can get more district information at [GilRiviere.Info](http://GilRiviere.Info).