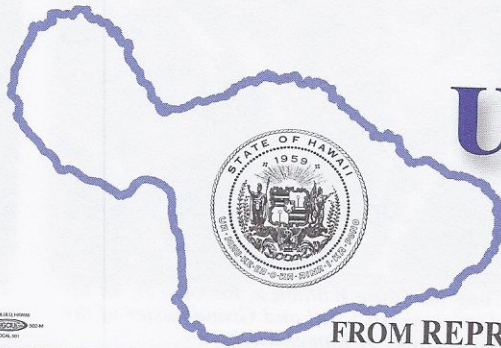


**Representative
Kyle Yamashita**
415 S. Beretania Street, Room 422
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UPCOUNTRY UPDATE

2010 LEGISLATIVE SESSION
FROM REPRESENTATIVE KYLE YAMASHITA

Aloha,

The 2010 Legislative Session ended on April 29, 2010. From January through April, we held hearings on proposed legislation for the public to provide input, as well as debated the merits of each of them extensively during House floor sessions.

In the end, we passed a balanced state budget without raising the General Excise Tax or taking away the Transient Accommodation Tax from the Counties. Funds from the TAT are very important to our community. Taking the TAT would have affected Maui County's budget possibly leading to higher property taxes. It was very important to the Maui delegation that we continue to receive these state funds.

In summary, the actions we took were responsible. They demonstrate where our priorities lie: to preserve the safety net for the poor, the disadvantaged and the elderly; to support education; to protect the health and welfare of our citizens.

Thank you once again for allowing me to serve you in the legislature. It has been a difficult few years for everyone because of the national economic downturn. However, I am optimistic about our future and hope that I may continue to serve you and our community to restore Hawaii's economy.

If you have any questions, concerns or comments, I urge you to contact me by calling my office at 808-586-6330 or sending an email to repyamashita@capitol.hawaii.gov.

Mahalo Nui Loa,

Kyle T. Yamashita

High Speed Internet Access

The 25th Legislature this session, passed a measure that will implement some of the recommendations made by the Hawaii Broadband Task Force to advance Hawaii's high-speed internet access.

The Task Force included industry experts and lawmakers and they met to discuss ways to improve Hawaii's high-speed internet infrastructure to support and advance all aspects of our society including education, government, business, and health.

House Bill 2698 introduced by Representative Yamashita and his colleagues, will begin the process of restructuring broadband and building an infrastructure that will help stimulate the economy. With this policy move, the community, lawmakers, businesses and the technology industry can come together to build upon the legislation and address concerns of all stakeholders.

This bill will add the functions of telework promotion and broadband activities to the Department of Commerce and Consumer Affairs' responsibilities.

It also establishes a work group to develop procedures for streamlined permitting functions applicable to the development of broadband services or technology.



In discussion with Reps. Karamatsu and Wakai, during a Conference Committee meeting.



2010 LEGISLATIVE SE

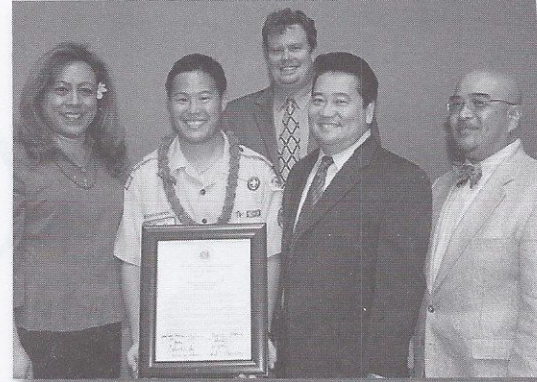
At the start of the 2010 legislative session, the state faced a \$1.2 billion shortfall. Our biggest challenge this session was to close this shortfall by reducing spending and finding ways to increase revenue while keeping in mind our state priorities – education, employment and the welfare of our citizens.

Besides the budget, we passed bills that addressed funding for school furlough Fridays, health and human services programs, illegal fireworks, and employment.

Here are some highlights.



Congratulating William F. Roback, Jr. on his election as Ali'i Nui and Grandmaster of the Royal Order of Kamehameha I.



The Maui County Council Boy Scouts of America, celebrated their 100th anniversary. Together with some of the Maui legislators is Robert Nakagawa of the Maui County Council, BSA.

How the Budget Was Balanced

In order to close the \$1.2 billion shortfall, the legislature made about \$794 million in General Fund budget cuts and lapses, accounted for the Governor's tax refund delay of \$275 million, passed about \$68 million in new tax or fee increases, took about \$78 million from special funds and \$185 million in credit adjustments. The pie chart shows the percentages of these actions. Some of the major budget and tax revenue bills passed this session include:

HB2200 State Budget. The budget included \$4.9 billion in General Funds and \$10.2 billion in all Methods of Financing. Highlights: Added \$22

million to the Department of Education, added over \$1 million to restore 25 plant quarantine inspectors at the Department of Agriculture, restored \$3 million for state libraries, added \$4.3 million to restore state and federal funding for 112 Child Welfare Services and Child Support Enforcement positions, added \$3 million for Charter Schools, added \$64 million for payments owed to Medicaid providers, added \$1.3 million for Specialty Courts, added approximately \$2 million for community health centers statewide.

HB1907 Cap on Itemized Deductions. Temporarily places a cap on itemized deductions, \$50K for joint filers with \$300K and over in adjusted gross income and \$25K for single filers

with \$150K in adjusted gross income.

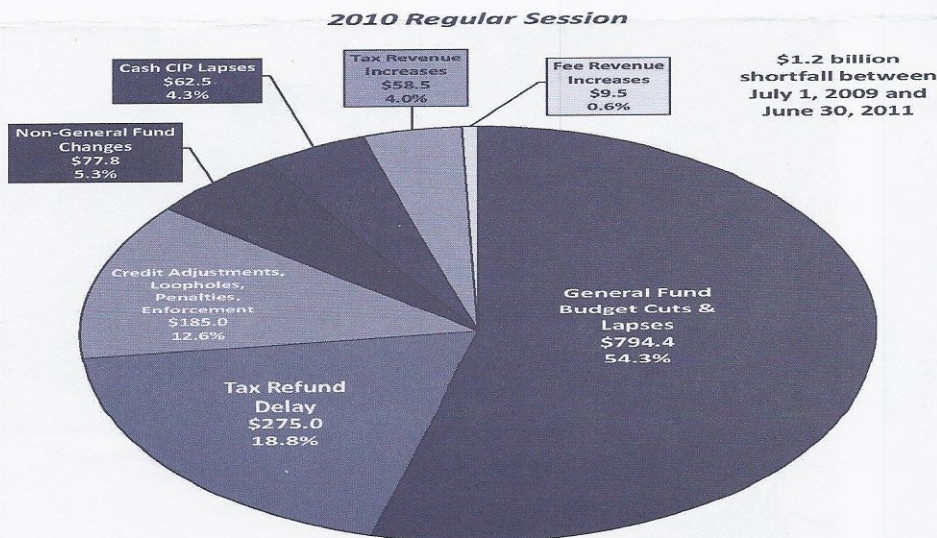
HB1985 Cigarette Tax. Increases the cigarette tax by 1 cent per cigarette, raising about \$14.8 million per year in revenue.

HB2421 Barrel Tax. Landmark legislation that sets the stage for Hawaii's future energy and food security and helps decrease the state's near total dependence of imported fossil fuel and food supply. Hawaii already spends \$8.6 billion out of state for imported fuel and food. Helps keep more dollars within the state and strengthen the local economy. Adds \$1 to the tax on a barrel of imported oil to fund energy and food security programs, renewable energy tax credits and agricultural inspectors.

HB2452 Transfer of Excess Balances From Special Funds. Collects \$46 million from various special funds and transfers excess to general fund.

HB2866 Estate Tax. Allows decedent an exemption of up to \$3.5 million before being subject to any taxes.

SB2401 Defer High Tech Investment Credits. Temporarily suspends the claiming of credits, for three years, to 2013. Raises about \$93 million for general fund. SB2001 provides for early repeal of the state high tech credits but extends the tax credit for research activities by one year, saving the state \$13 million.



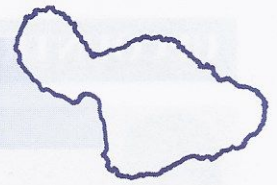
Unless specified, please note that all estimates are cumulative over the two fiscal years beginning July 1, 2009 and ending June 30, 2011. These estimates are subject to change as new information becomes available.

\$1.4 billion in solutions

Helping Our Students Succeed

SB2124 Restore School Furlough Days. Appropriates \$67 million

SESSION HIGHLIGHTS



Honoring our fallen heroes during the Hawaii Medal of Honor Ceremony at the State Capitol.



Celebrating Ag Day at the Capitol with Emma Perry of Kula and Brian Miyamoto of the Hawaii Farm Bureau.

from the Hawaii Hurricane Relief Fund for the purpose of funding teacher furlough days at the Department of Education for the fiscal year 2011.

HB2376 Constitutional Amendment. Proposes amending the Hawaii State Constitution to change the Board of Education from an elected board to a board appointed by the Governor.

HB2377 Appointed Board of Education. Establishes a process by which the Governor appoints the Board of Education. New board will consist of nine voting members, one member respectively from Hawaii, Kauai, and Maui Counties, six from the City & County of Honolulu, and one non-voting public school student.

HB2486 Minimum Instructional Hours. For the 2011-2013 school years, public schools will be required to implement a school year of 185 days, including instructional, professional development and other non-instructional days. This will include 915 student instructional hours for elementary grades, and 990 student instructional hours for secondary school grades. Phases in greater instructional hours for future years.

Safety Net

SB2469 Social Services Funding through Rainy Day Fund. Appropriates \$23 million from the Emergency and Budget Reserve Fund, known as the Rainy Day Fund, to maintain critical programs in education, human services and health.

SB2650 DHS EPOD System. Au-

thorizes the state to develop the "eligibility processing operations division" or EPOD system for public assistance and welfare services as a pilot project for Oahu only. Prohibits the Department of Human Services from implementing a reorganization plan which would have closed assistance offices statewide.

HB2084 Disproportionate Share Hospital Funding. Extends to June 30, 2011, the state's matching funds to receive federal Medicaid funding for hospitals, known as the disproportionate share hospital funds. Appropriates \$12.3 million in state funds in order to receive \$15 million in federal funds.

SB2599 Colorectal Cancer Screening. Mandates health insurance coverage for colorectal cancer screening based on the recommendations of the U.S. Preventive Services Task Force.

Maintaining Public Order And Safety

HB1987 Fireworks Nuisance Abatement. Addresses the illegal importation, sale, and transfer of fireworks through the state's nuisance abatement laws, establishing nuisance abatement and forfeiture actions to discourage those illegal activities.

SB1059 Fireworks Task Force, County Authority. Establishes an illegal fireworks task force to stop the importation of illegal fireworks and explosives. Allows counties to enact ordinances regulating fireworks that are more stringent than state law regulat-

ing fireworks.

HB2129 Graffiti. Requires a person convicted of criminal property damage involving graffiti to remove the graffiti within 30 days of sentencing. In addition, the person must perform community service removing graffiti from within 100 yards of the site of the offense.

Creating Job Opportunities

HB2169 Unemployment Insurance. Significantly lowers the cost of unemployment insurance for businesses. Sets new employer contribution rates while maintaining maximum unemployment benefits.

SB2840 Local Jobs for Construction Procurement. Requires at least 80% of workers on state and county construction procurement projects to be Hawaii residents.

Preserving Our Natural Resources

HB1808 Beach Access. Requires the Department of Land and Natural Resources to maintain beach transit corridors and prohibiting any obstruction of the corridors by vegetation induced by adjacent property owners.

SB466 Leaf Blower Restrictions. Prohibits leaf blowers in residential zones except between 8 am and 6 pm on Mondays – Saturdays, and between 9 am and 6 pm on Sundays and any state or federal holiday. Fines for violators.

Helping Agriculture

HB1684 Invasive Species. Establishes or refines various fines and penalties for the intentional spreading or introducing of invasive species, causing harm to Hawaii's natural environment, economy, and quality of life.

SB2523 Agriculture Inspection and Biosecurity. Strengthens and clarifies the state's law regarding pest inspection, plant quarantine, eradication of invasive species, and biosecurity. Includes requirements for various fees and charges, certifications, and exemptions.



Looking at the beautiful proteas from Maui for the annual Bizarre Bazaar Food Bank fundraiser.



Together with Rep. Keith-Agaran, presented a \$2,300 check to Richard Yust, Executive Director of the Maui Food Bank.

Looking To Our Future One Project At A Time

Securing funds for Capital Improvement Projects (CIPs) is one of the many priorities of a state lawmaker during any legislative session, especially during these difficult economic times.

For Fiscal Year 2010-2011, various projects in the 12th District received about \$20 million. The monies will be used for system improvements to the Makawao-Kamole Water Treatment Plant; work on the Upcountry Maui Watershed; construction on King Kekaulike High School's auditorium; roadwork on Makawao Avenue-Haleakala Highway; improvements to Kula Hospital; and to complete widening of the Haleakala Highway. In addition, nearly \$2 million has also been approved for maintenance and repair work for Maui schools. (See table for project details and cost)

Because these capital improvement projects help stimulate the economy and provide residents with construction-related jobs, the Legislature remains focused on identifying much-needed CIPs. This year, the Legislature approved over \$4 billion in new construction and, repair and maintenance projects statewide.

Major construction projects require a lot of money. For example, the work on the UH Maui College Mau Science Building will cost over \$23 million. Long term construction projects are financed through General Obligation Bonds, which is much like taking a second mortgage out on your home to renovate your kitchen and bathroom. As improvements to your home are your personal investments, construction improvement projects are investments for the future of Maui and the State of Hawaii.

DOE Repair and Maintenance for FY 2010-2011

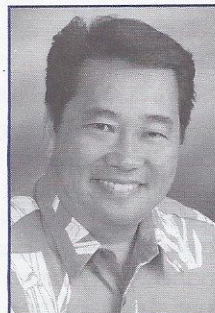
Kalama Intermediate School	\$ 585,000
King Kekaulike High School	\$ 536,000
Kula Elementary School	\$ 173,000
Makawao Elementary School	\$ 179,000
Pukalani Elementary School	\$ 428,000
TOTAL	\$ 1,901,000

12th District Capital Improvement Projects for Fiscal Year 2010-2011

Makawao – Kamole Water Treatment Plant <i>System Improvements</i>	\$ 5,500,000
Upcountry Maui Watershed <i>Plan, design, construct. Project necessary to qualify for federal aid financing.</i>	\$ 3,400,000
King Kekaulike High School <i>Construction of Auditorium</i>	\$ 3,000,000
Makawao Avenue-Haleakala Highway <i>Extend left turn lane</i>	\$ 2,500,000
Kula Hospital <i>Replace existing steam line, plumbing up-grade</i>	\$ 1,870,000
Haleakala Highway Widening <i>To complete mile post 0.8 project</i>	\$ 200,000

Maui Capital Improvement Projects for Fiscal Year 2010-2011

Maui Memorial Medical Center <i>Infrastructure improvements and up-grade of patient monitoring system</i>	\$ 2,500,000
Traffic Operation Improvement <i>Existing intersections and highway facilities</i>	\$ 1,900,000
Maui County <i>Renewable energy sources for park facilities</i>	\$ 150,000
War Memorial Stadium <i>Install new PA system, replace scoreboard</i>	\$ 145,000
UH Maui College <i>Construction and equipment for Mau Science Building</i>	\$ 23,825,000
Honoapiilani Highway <i>Shoreline erosion protection</i>	\$ 2,800,000
Hana Health Center <i>Plans for expansion. Project qualifies for a grant.</i>	\$ 900,000
Maui Economic Opportunity <i>Maintenance facilities for bus system.</i>	\$ 1,000,000



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