



t is half time at the state legislature and out of 1600 bills introduced in the House of Representatives, approximately 300 bills crossed over to the Senate. The Senate likewise will be sending over about 300 bills. Many of these bills are House companion bills so in the end, there may be about 200 new laws.

That's a pretty good vetting process in my opinion. The legislature started with a combined 3000 bills between the House and Senate. Approximately 200 will survive and become law. It just goes to show how difficult it is to get new laws passed; which is a good thing. Our office will be mailing out an end of session legislative report that will provide you with information on many bills of interest.

One of the most important bills that crossed over to the Senate at half time is the budget bill. The House of Representatives historically has the first crack at the budget. This year, as in the past three years, we faced a deficit. But what exactly is a deficit? Well, a deficit is the amount of money that is <u>less</u> than the prior year's budget.

So for instance, when you hear that we are short \$800 million dollars, we have \$800 million dollars less than the prior year's biennium budget. The problem is compounded because in the prior biennium budget there was a deficit of \$1.7 billion dollars.

If you remember, this was our strategy in the past biennium; we balanced the budget by, cutting government expenditures to cover half the deficit, transferred special funds, got money from the federal government (ARRA) to cover the next 20% and last, raised taxes to cover the last 10%. But the bottom line is we balanced the budget by cutting overall spending by government. We had no choice.

Many of the government cuts were very painful. As a reminder, here are the ways we cut spending: furlough Fridays for our children, cuts to Human Services (poor and homeless), cuts to Dept. of Health (restaurant and health inspectors), general government services (department furlough Fridays) and finally as we are finding out now, just plain old not paying our bills (ERS, EUTF, TANF, insurance premiums).





So here we are in a new biennium. It's a new day. We started with the budget that was prepared by the Lingle administration. That budget was \$5,568,000,000, very austere. The new administration recognized this and transmitted to the legislature "Governor's Message" for emergency appropriation to cover various items including unpaid bills for \$100,000,000. Then after exhaling, they set out to prepare their new budget. Governor Abercrombie realized that the government he inherited was broken.

Recognize that sometimes when you keep cutting monies out of a program you do not save money, you just grow inefficiencies. Governor Abercrombie's budget came in at \$5.702 billion dollars, almost \$134 million dollars higher than the former Governor Lingle's budget.

Now the House Finance committee gets our hands on the budget. Our perspective is a little more complex than the Governor's since we must add the opinions of our constituents into our analysis. As I have stated before, using political solutions to solve fiscal problems is by far, the most challenging experience of my financial career.

First, we did not approve any of the governor's new requests and then, we deleted another \$120 million dollars from his budget. The House Finance committee did this in anticipation of a further decline in revenue. This brought our House Finance committee budget to \$5,449.5 billion dollars, \$118.7 million dollars <u>lower</u> than Governor Lingle's budget. This is the budget we passed over to the Senate.



Unfortunately on March 10, 2010 the Council on Revenues lowered its revenue estimate by 2.5% which means the Senate Ways and Means Committee will now have to fill a hole of approximately \$125,000,000. This is over and above the cuts that we already made. No happy campers at the Capitol this year.

Before ending this issue of *Prevailing Winds*, let's give some thought to this, we all heard the stories of government inefficiency, waste and abuse, we also heard the cries to cut the size of government and government services. As policy makers we cannot ignore these concerns.

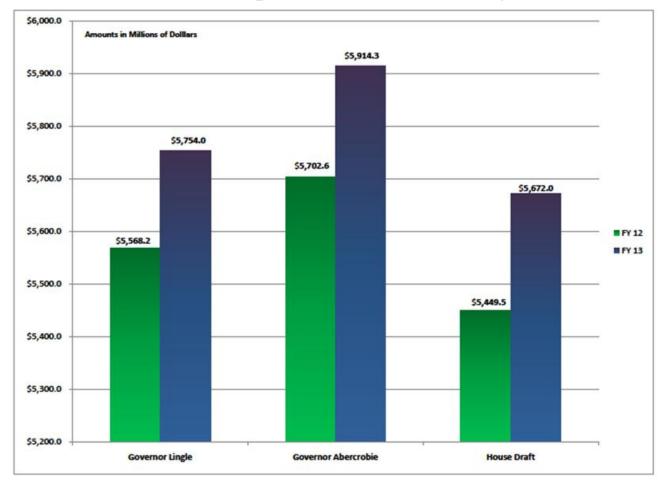
Therefore, I believe that we have now slashed departmental budgets to the point where inefficiencies have been created. We have Furlough Fridays, our kids have fewer instructional days, you see more homeless on the streets, and hear about deplorable conditions in our public housing. Cutting government spending may be politically popular as long as you're not affected. Look around and see the kind of world we've created.

At some point we have to say, we need to help the disabled, our children, the homeless, and the less fortunate. I believe we have reached that point. The time is

Aloha,

Sau w Ohy

A Visual Comparison of the Three Budgets

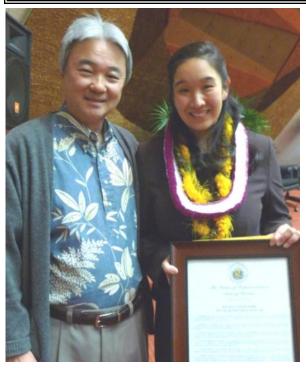


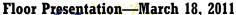


Kristen Lum Brummel

2011 Hawaii State Teacher of the Year

Noelani Elementary School











The Kouse of Representatives State of Kawaii

hereby presents this certificate to

KRISTEN LUM BRUMMEL 2011 Hawaii State Teacher of the Year

WHEREAS, while the natural heavity of Hawali is recognized throughout the world, the real beauty of our idland State liet in its people, especially those rare individuals who, through their extraordinary dedication and personal efforts, have made a positive impact on the many fives they touch, and

WHEREAS, a distinguished Grade 4 educator at Novlant Elementary School for seven years, KRISTEN LUM BRUMMEL attended Novlant Elementary School from kinderparten through 6" grade, and the credits her teachers for implifting her to realize that education would shavey be a part of her life, and

WHEREAS, respected by her colleagues and students, KRISTEN LUM 8RUMMEL impects her students in a positive way, as the believes that a classroom should be a place where students show one another mutual respect and landness and where they celebrate each other's individuality as they learn from and grown together at and

WHEREAS, KRISTEN LUM BRUMMEL has a magical way of exciting her students about coming to school to learn new things and like her teachers who implied her, KRISTEN LUM BRUMMEL also inspires and instills confidence in her students to help them realize that they are capable of amazing things; and

WHEREAS, KRISTEN LUM BRUMMEL dedicates herself outside of the classroom in her spare time, serving as a mentor teacher, guest lecturer, educational consultant, blog writer, after-school robotics instructor, and volunteer; and

WHEREAS, KRISTEN LUM BRUMMEL, obtained her Bachelor and Master of Education from the University of Hawaii at Manoa, was one of 40 Hawaii teachers who joined the ranks of the National Board Certified Teachers, therefore becoming nationally certified in the Reading-Language Artifizing and Middle Childhood, was honored to be one of Hawaii's 2011 District Teachers of the Year, and loter was chosen as the Hawaii State Teachers of the Year, now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-sixth Legislature of the State of Hawkii, Regular Session of 2011, that this house benefit commends and congratulates KRISTEN LLIM BRUMMEL on receiving the distinction of 2011 Hawkii.



View My Newsletters, Bill Status & Documents, Legislative Information, House/Senate, Archives & Links: http://www.capitol.hawaii.gov/session2011/members/house/memberpage.aspx?member=choy

To receive an electronic copy of *Prevailing Winds*, Email: <u>c.hagihara@capitol.hawaii.gov</u>