

District 27 Report

LILIHA · NUUANU · PUUNUI · ALEWA HEIGHTS · PALAMA

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Dear Friends and Families:

I thank you for the honor of serving you. It continues to be an honor and privilege to serve as the District 27 State Representative. This month's newsletter contains a brief analysis of the 2010 Legislative Session; however, please check your mailboxes late-July for additional details, as my office will soon be sending out the annual Legislative Wrap-Up which covers key legislative highlights in greater detail. This month's newsletter highlights community events, including the upcoming preparations for the first ever Liliha Farmers Market, progress under way with the exciting Liliha Vitality Project, and a save-the-date flyer for the annual "I LOVE LILIHA" Festival, now in its 8th year! As we gear up for the Asian Pacific Economic Cooperative, hosted at Hawaii's Convention Center this year, our Nuuanu-Liliha District has begun to gather promising recognition for the district's unique role in the history of Hawaii as the State has developed over the last three centuries. We are confident that this increased exposure will spark business activity and participation in events throughout the Nuuanu and Liliha communities over the coming months.

As always, I deeply value your input and appreciate your opinions, ideas and suggestions. We thank you for your response to our survey during the session and your attendance at our annual Town Meeting scheduled before the end of session. We hope these tools help to give you additional time to express your position on legislative issues, however, always feel free to contact me via the information listed above. Thank you for allowing me to serve you.

Sincerely,

State Representative Corinne W.L. Ching

Highlights from the 2011 State Legislative Session

The 2011 Legislature recessed on adjournment Sine Die, May 5, 2011. We happily report that Republican legislators effectively blocked many potential tax increases, most notably the proposed pension tax, which we believe would have been detrimental to all Hawaii residents and particularly our Nuuanu-Liliha District. With the Japanese tsunami and current economic recession as pressing obstacles, we felt that holding the line on taxation was the prudent course of action. Nonetheless, we remain disappointed that other worthy measures fell to the wayside.

Although the Minority Caucus did not actively pass its own bills this session, it played an equally important if less visible role behind the scenes. For example, we effectively moved the House away from raiding hurricane funds to borrowing these moneys for a two-year period, and ensuring that the agricultural trespass bill covered farmers as well as ranchers. Our literature was also often incorporated into other bills, proposed by the Majority Caucus, which did pass. For example, SB 892 (Service Animals and Americans with Disabilities Act) reflects my own proposal to recognize and clarify the role of service animals in helping those with physical handicaps.

Among other initiatives, my colleagues and I championed for the Shield Law extension, urging permanent enactment of this important bill for journalistic independence, and successfully curtailed efforts to create a State Bank that would have harmed Hawaii's financial community. We crusaded to shut down puppy mills, and also successfully ensured that convicted felons have to serve consecutive prison terms, rather than allowing these terms to run concurrently. We anticipate the reconvening of a special legislative session, likely in the early days of June, to discuss many critical bills which have not yet received sufficient attention due mainly to time constraints. Securing funds for the upcoming Asian Pacific Economic Cooperative, as well as several clean energy endeavors, appear high on our upcoming priority list.

2010 Acts Signed into Law

These education Acts have been signed into law to date:

- Act 25 Repeals a law establishing the Hawaii Institute for Education Partnerships that created a link between public schools and University of Hawaii (UH) teacher program to make the College of Education responsive to the needs of the public school system.
- Act 31 Repeals school-level Repair & Maintenance accounts.
- Act 34 Responding to requirements under the federal Race to the Top grant, this law requires the Hawaii Board of Education (BOE) to develop alternative routes to certification for Principals and Vice-Principals.
- Act 41 Requires the Department of Education, UH, Department of Labor and Industrial Relations to share data to support research that will improve education and workforce outcomes. This bill was passed to meet the longitudinal data requirement under the federal American Recovery and Reinvestment Act of 2009
- Act 42 Transfers funds into the UH Commercial Enterprises Revolving fund.
- Act 63 Allows the Early Learning Council to meet via teleconference.
- Act 82 Exempts UH and the Board of Regents from certain provisions of the State procurement code.
- Act 105 allows the Food Distribution Revolving Fund to be used for consultants, furniture, travel, computer, office rent, fringe benefits and other previously disallowed uses.
- Act 106 Extends the teachers' Voluntary Employee Benefits Association (VEBA) teachers' health fund to 12/31/10 despite testimony from the auditor and State Budget & Finance Director that VEBA is costing taxpayers an additional \$2.5 million per year in administrative fees and is fostering "adverse selection" of enrollees. The law also funds additional Employer-Union Health Benefits Trust Fund (EUTF) positions.

Education Bills Passed Pending Governor's Signature or Veto

Other education bills that passed the Legislature and are awaiting the governor's signature or veto:

- HB2376 allows the public to vote for a constitutional amendment allowing the BOE to be appointed by the governor versus elected by the public.
- HB2377 creates the BOE Selection Advisory Council and defines the selection process for BOE members.
- HB2486 requires all schools except charter schools "phase in" 180 instructional days and 915 instructional hours for elementary schools by 2011-13, 990 instructional hours for secondary school students by 2013-15, pursuant to collective bargaining agreements. This bill was passed in response to "Furlough Fridays" or non-instructional days agreed to by the teachers' union, BOE and governor in response to budget restrictions.
- SB2124 raids \$67 million out of the Hurricane Relief Fund to restore instructional days in 2011-2012.
- HB2077 prohibits 20-year-olds from attending public school if they are 20 years of age by the first day of school.

End to Furlough Fridays Announced

Representative Ching supports the decision announced on May 25 by Governor Linda Lingle, Board of Education Chairperson Garrett Toguchi, and Department of Education Interim Superintendent Kathryn Matayoshi that all 17 "Furlough Fridays" scheduled for the upcoming 2010-2011 school year will be eliminated from the public school calendar, returning nearly 171,000 children back to the classroom.

The announcement was made on May 25. Also that day, Governor Lingle signed Act 143 (SB2124 SD2 HD1 CD1) which makes \$67 million available from the State Hurricane Relief Fund to restore instructional days. Governor Lingle has pledged to release \$57.2 million appropriated under this act to restore 11 of the 17 furlough days. The agreement was made possible due to a unique three-way public-private partnership between the State, teachers and the major banks in Hawai'i. Because the Department of Education has said it may need additional funding beyond the \$57.2 million from the Hurricane Relief Fund and \$2.2 million in federal funds the Governor has pledged to release, a group of local banks has agreed to provide a line of credit of up to \$10 million to assist the department if necessary. The line of credit has no upfront costs and the banks have generously offered to give back all interest costs.

In addition to the hurricane relief money, Governor Lingle has pledged to release up to \$2.2 million in federal State Fiscal Stabilization Funds to make certain charter school students also have a full school year. The money is from the American Recovery and Reinvestment Act Part B funds, which governors have discretion over how to use. Governor Lingle has elected to dedicate all of the Part B funds toward improving the quality of public education. The money appropriated from the Hurricane Relief Fund does not become available until July 1, 2010 and the law requires any unused amount to be returned back to the hurricane fund. Because money in the Hurricane Relief Fund is invested, the Administration will work with the Department of Education to make money from the fund available in a manner that does not adversely impact the fund's interest earnings.

Teachers, through a supplemental agreement signed by the Hawai'i State Teachers Association and the Board of Education, have agreed to give up six paid teacher planning days. The Board and Department of Education will now begin its work to finalize the official calendar for the 2010-2011 school year.

Longer School Years

Suspension of High-Tech Tax Credits Vetoed

S.B. 2401 sought to suspend tax credits for High-Tech companies

Lt. Governor James "Duke" Aiona vetoed Senate Bill 2401, which would have suspended tax credits for high-technology businesses for three years.

"This bill would damage Hawai'i's reputation as a place to do business," said Lt. Governor Aiona, who is the acting governor while Gov. Lingle is on a trip to China. **"It will discourage individuals and companies from investing in our state by changing the rules with little notice or rationale."** In Lt. Governor Aiona's veto message, he stated:

"Investors and businesses make decisions to hire, expand or start up a company based on assessments of the risks and rewards involved. One of the factors examined is the government's tax and regulatory structure. When government policies change with little notice or rationale, businesses become wary because they are no longer able to assess the future risks of putting money into Hawaii. The fact that this bill would change the tax credit rules retroactively, implies people who put capital in Hawaii can no longer trust the State Government to keep its word. This is bad economic policy and bad public policy."



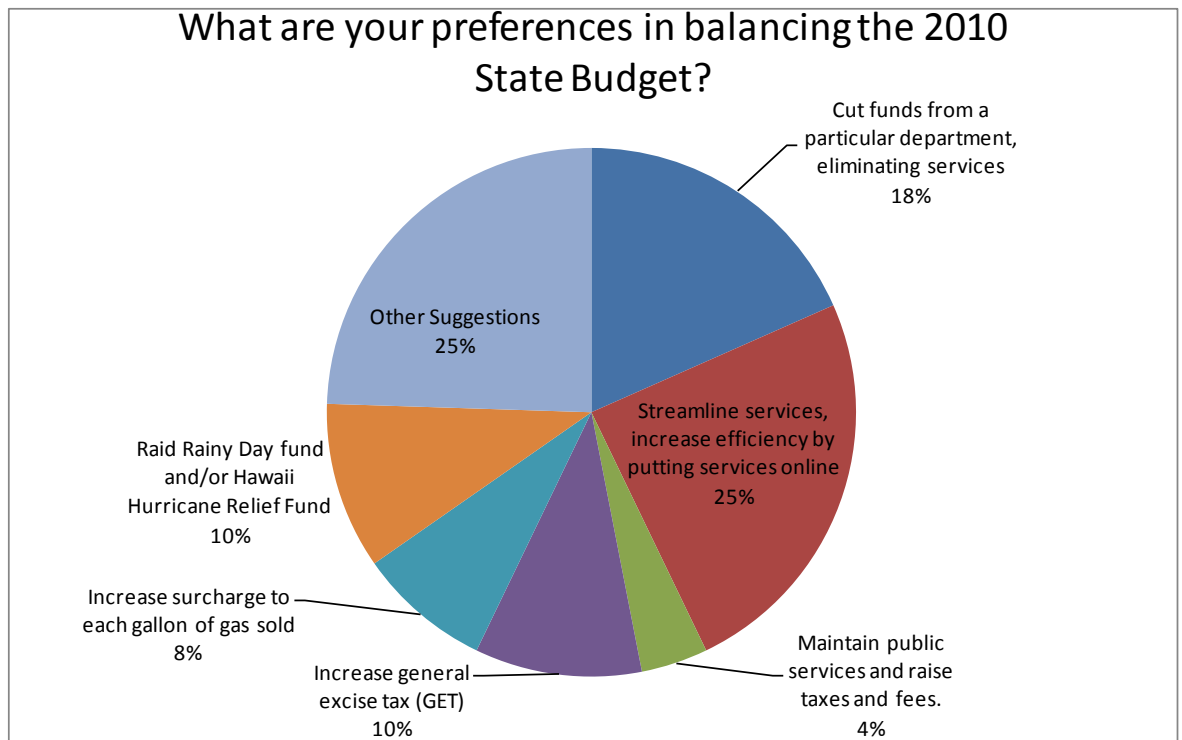
Hawaii makes good on its promise to high-tech companies .

Local businesses and environmental organizations feared that with the passage of SB 2401, fewer high-tech organizations would seek to do business in Hawaii. For now, the tax credit will remain in tact.

April 2010 Constituent Survey Results

As you know, your opinions serve as a basis for how Representative Ching votes on issues. Below are the results from the recent survey from the mid-session mail out. Thank you to those who mailed, faxed and emailed your own solutions to balance the budget. The majority of you offered very helpful suggestions by writing in your opinions, which Representative Ching took very seriously and to heart upon each vote.

Tied for the top option was your individual suggestions and a desire to streamline services to increase efficiency, citing the EPOD program as an example. Unfortunately, Governor's veto of S.B. 2650 was overridden by the Majority of the House and we will be unable to begin what Representative Ching strongly supported as a way to save the taxpayers of the State



an estimated \$8 million annually while embarking on an exciting pilot program would have improved the quality of service to public assistance recipients statewide.



1st Economic Forum on Heritage Tourism a Success!

Rep. Ching has been a strong and vocal advocate of Heritage Tourism and has spearheaded Heritage Tourism in our State, working with colleagues to raise awareness. On April 8, 2010, guests listened to expert panelists discuss the potential economic opportunity available in Heritage Tourism. By examining Heritage Tourism as an economic opportunity and means to preserve historic places around the State, we are doing something that is not only good for our heritage; it is a crucial action direction that we need to take. Thank you to those who attended and made this discussion a success!

Congratulations! Local Piano Student T.J. Tario Accepted into Juilliard School of Music



T.J., Governor Lingle and Representative Ching on May 5, 2010, as T.J. accepts a proclamation honoring his achievements.

Local piano student T.J. Keanu Tario, who has volunteered his time and talent numerous times at our Annual Candlelight Tour, has been accepted into Juilliard School of Music. This fall, Tario – a 16-year-old tenth grader at Kamehameha Schools – will commence his studies in Juilliard’s Pre-College Division in New York City. Tario is winner of the 2009 Aloha International Piano Festival and Competition (AIPF) will study with professor Martin Canin, whom he first met while participating in the AIPF Competition here in Honolulu.

“My goal in life is to share my music with the world, to master the piano and composition and to write an opera, concerto, or symphony piece that best represents the Islands of Hawaii,” said Tario. “By expanding my roots far from the Pacific, I believe that my dreams one day may become a reality.” Ever since taking his first piano lesson with the late Ellen Masaki, T.J. Tario has been ignited with a passion for

music that has also inspired his soul for piano. Since her passing in September of 2009, T.J. has studied with Lisa Nakamichi and Martin Canin of the Juilliard School of Music.

Our community thanks you again for sharing your talent with us at the annual Candlelight Tour and congratulates you on your admission to Juilliard. Congratulations, T.J.!

Representative Ching Passes Diversified Agriculture Legislation

Stimulating Our Economy

Hawaii is the only state in the Nation able to grow cacao, a \$65 billion world wide industry. At the recent Haleiwa Farmer’s Market Cacao Festival, it was a resounding success with sell-out agricultural tours and vendors. The time has come for Hawaii to support this profitable agricultural product which provides jobs, can help the State receive federal

funding through research and contribute as an export to Asia which has a growing demand for high-end chocolate. It is currently grown on different islands, with Castle & Cooke through its subsidiary Dole growing high-end, award-winning quality chocolate in Waialua on Oahu. This session, Representative Ching passed H.C.R. 89 and H.R. 40, which recognizes the importance of Hawaii-grown Cacao.



Rep. Ching offers real cacao (chocolate) plants to all of her district schools. Here, at Nuuanu Elementary School with Student Council President Joshua Chun and VP Caroline Chun, she plants a young Hawaii-Grown Cacao Tree.



Loving Liliha: Liliha Revitalization Efforts Featured in Hawaii Business Magazine



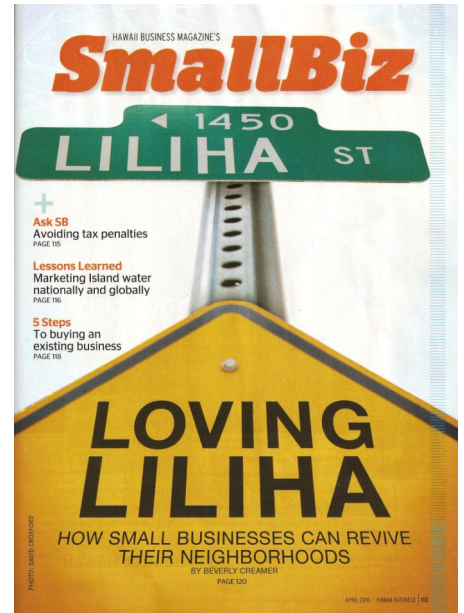
Pastor George I, Rep. Ching and Steven Teruya of Finance Factors in Liliha. From: Hawaii Business Magazine

“We came here not to be served by others but to serve others.”

—Representative Corinne Ching

In the April 2010 Edition of Hawaii Business Magazine, Senior Writer Bev Creamer discusses Representative Ching’s efforts to revitalize and provide Liliha with a sense of identity and community. This includes the partnering with local businesses to create a Town Center that includes a Town Clock and a Town Fountain.

Without your help and support over the past eight years, none of this would be possible. As the community of Liliha, it is the collaboration of families and residents, along with small businesses and organizations, as well as dedicated community leaders, who have made this transformation a shining example of a flourishing community.



The five page spread features Liliha as a model for Community Revitalization by outlining all of the steps that Liliha has taken to make itself a stronger community.

Strong Communities grow through leadership partnering community members and businesses by creating a sense of identity through a community center and community events.



Read more at: <http://www.hawaiibusiness.com/SmallBiz/April-2010/Loving-Liliha/>

Kawanakoa School and Park Revitalization

Representative Ching assisted Scotty Hamilton, a district resident and promising Eagle Scout candidate, along with volunteers of Troop 201, in the completion of his Eagle Project: working to improve the **Kawanakoa Playground**. The two-phase project consisted of a Playground clean-up on Saturday, May 22 and then the Park paint-out on Saturday, May 29. Volunteers met worked a full day, from 8:30 a.m. to 4:00 p.m., until the job was done. On the project Scotty stated, “At first I didn’t realize it was going to be such a big project but it turned out to be very huge....Since my Eagle project is complete, the new paint job on the walls look marvelous. It’s a real beautification!” Good work Scotty!



Good work Scotty!

(Left) Representative Ching works with Eagle Scout candidate Scotty Hamilton and volunteers in his Eagle Project painting all the walls of Kawanakoa Playground.