



MidWeek

This column by Senator Michelle Kidani was published in the MidWeek **CENTRAL VOICE** section on Wednesday, September 13, 2017.

Rail funding approved

Earlier this month, the legislature adjourned a one-week special session called to resolve issues regarding state support for construction of the City & County of Honolulu's rail transit system. While costs for the system have increased dramatically, one thing remains constant: a project of this magnitude clearly needs state support. We affirmed this when we approved a half-percent increase in the state's general excise tax (GET) rate for Oahu residents a few years ago, and we have now re-affirmed this commitment in the proposal we approved in the special session by extending the half-percent surcharge for an additional 3 years to 2030. Supplementary funding for rail will come from



the transient accommodations tax (TAT) – a 1 percent tax statewide for a period of 13 years added to the cost of any hotel room.

I personally would have preferred to rely solely on the Oahu GET surcharge to support rail construction to completion, which is what the Senate passed out during our regular session. However, both houses wanted to include the TAT as a funding source to allow more up-front financing. Many neighbor islanders objected to a statewide TAT increase, saying transit is an

Oahu issue. This is disappointing as it is clear in any review of state budget revenues and expenditures that the neighbor islands receive far more funding in proportion to what they contribute in GET and state income taxes. The legislative compromise agreement acknowledges that Oahu's rail project is of such significant magnitude – like the investments we make in neighbor island highways, airports, harbors, hospitals and schools – that statewide support is merited.

As the *Star-Advertiser* commented, “With the passage of Senate Bill 4, state government is emerging as a full participant in rail with responsibility to oversee management of the project, scrutinize each expense, and pay the bills. Starting now, the state of Hawaii is all in.” We accept that oversight responsibility as we look forward to the system's phase one completion.

Central Oahu residents who commute to town or the other direction to Kapolei will clearly benefit from the rail transportation option.

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Free tuition at UH Community Colleges

I was so pleased to see the news report a few weeks ago from the University of Hawaii that nearly 1,000 students from the seven UH community colleges have been awarded Hawaii Promise scholarships for the current semester. That's almost 4 percent of 23,000 community college students enrolled. Figures for the current school year show 271 Hawaii Promise students are at Leeward Community College, our closest UH campus



We made sure \$1.8 million was included in each year of the two-year budget to support this important program that basically provides free in-state tuition for qualified UH Community College students and covers tuition, fees, books, supplies and transportation.

Hawaii Promise provides assistance to meet any financial needs not covered by other forms of financial aid, such as federal grants and benefits and scholarships from UH or other sources.

UH Community Colleges are encouraging even more students to enroll and apply for Hawaii Promise scholarships for the spring 2018 semester. More information is available by calling the UH System Financial Aid Office at 956-8753 or email uhsfao@hawaii.edu.