

# Report to Nu'uanu NB #12, July 2011

## 2011 State Legislative Session at a Glance

Aloha Friends & Neighbors,

Thank you for allowing me the honor of serving you in the State House of Representatives this year and next. I sincerely hope that as you read through this brief update, you will contact me with any questions, suggestions or concerns you may have, regarding goings-on in the Capitol or across our community.

One of the major challenges our state faced this year, as you may know, was a \$1.3 billion budget deficit. On the following page, you will see details on how the legislature chose to balance its budget with a combination of cuts, special fund raids and tax increases that could increase the cost-of-living for the people of Hawaii. Alternative suggestions were made by the House Republican caucus, who felt that the bigger challenge was the vision deficit of the majority in the state

legislature who chose to raise the cost-of-living instead of finding ways to encourage economic growth. Of course, no single person has a full set of perspectives so I urge you to contact me with your suggestions and ideas as I prepare for the 2012 legislative session.

Despite our fiscal crisis, my colleagues and I were able to enact some positive reform in areas such as agricultural development and handicapped accommodations where I took particular interest. Page 3 includes a sampling of our legislative successes, as well as an update on Gov. Abercrombie's vetoes.

Outside the Capitol, our community has several successes to celebrate. The area's first ever farmers market kicked off June 7, and will continue to be held on Tuesdays from 4:30-7:30pm at the Honolulu Central 7th Day Adventist Church. Please do

seize this fantastic opportunity for fresh produce & community bonding soon! We are also now preparing the 8th annual *I Love Liliha* town festival, slated for August 28, so mark your calendars! Note too that, in conjunction with November's APEC convention, we will be conducting special heritage tours of the District. Depending on space availability, these tours will be open to the community, and should offer a priceless opportunity to mingle with international visitors while learning about our ahupua'a's history.

Again, I am very grateful to be a part of this community and to have the opportunity to represent you in the state legislature. Our Liliha is a special place to live, and I thank fortune every day to be a part of it.

Mahalo Nui Loa,

Corinne W. L. Ching



### My 2011 Committees:

- \*Higher Education (HED)
- \*Tourism (TOU)
- \*Health (HLT)
- \*Human Services (HUS)
- \*Consumer Protection & Commerce (CPC)

**PHONE:**  
(808) 586-9415

**FAX:**  
(808) 586-9421

**EMAIL:**  
repching@capitol.hawaii.gov

### Inside:

Budget Summary	2
Budget Comparison	2
Veto Decisions	3
Bills Passed	3
APEC Anticipation	3
Liliha Vitality Project	4
Wellness Incentives	4

### PAVING & POTHOLES

The City and County of Honolulu fixes approximately 60,000 potholes per year, and undertakes continuous repaving efforts. Nonetheless, the streets of our district need much more attention. Although the City and County has lately repaved the portion of School Street east of Nuuanu Stream, the western section of School Street—and roads throughout our district – remain long overdue for repaving. Our office is now in correspondence with the City and County to remedy this issue, both to address the general safety and comfort of residents, as well as readiness for APEC. Resurfacing roads can help prevent potholes from forming, but once they're actually there, they need to be patched. If potholes are reported, the patching process could be initiated much sooner.

To report a pothole on the following state roads or highways, call the State Pothole Report Phone Line at 536-7852: Ala Moana Blvd., Farrington Hwy., H1, H2, H3, Kalaniana'ole Hwy., Kahekili Hwy., Kamehameha Hwy., Likelike Hwy., Nimitz Hwy., Pali Hwy. and Vineyard Blvd. All other roads fall under jurisdiction of the City and County of Honolulu. To contact them, please fill out the Pothole Request Form found at <http://www1.honolulu.gov/dfm/road/pothole.htm> or call 768-7777.

## State Budget Summary: Legislative Session, 2011

The Legislature began its work on opening day with an \$800 million deficit over three years, but by late March, that deficit had grown another \$500 million following lower than usual tax collections and global events like the Japanese tsunami. In short, legislators had a little over a month to find \$1.3 billion in budget cuts and revenue generators.

Approximately half of the deficit solution, or \$618 million, came from cuts to Governor Abercrombie's proposed operating budget which would have increased government spending by \$1.7 billion. The final budget passed by the Democratic-led Legislature increased spending by \$1.1 billion, much of which was due to the increasing cost of Medicaid, higher debt service payments and the loss of ARRA funds.

The other half of the solution was composed of tax increases, the repeal of tax exemptions and special fund transfers, including an authorization for the governor to utilize the entire Hurricane Relief Fund.

One of the largest components of the Majority's financial plan was the suspension of general excise tax exemptions which benefitted our subcontractors and the airline industry among others. This temporary suspension, potentially raising the cost of goods and services in Hawaii, is expected to raise \$385 million.

Another \$90 million was raised by placing a cap on itemized deductions and repealing the deduction for state taxes for taxpayers with incomes over \$100,000 per year.

While these taxes will be difficult for taxpayers and likely raise the cost-of-living in Hawaii, they represent only a few of the cost-of-living increases proposed by both the Abercrombie administration and the Majority party in the Legislature.

Proposals to raise the general excise tax 25 percent fell through after stiff opposition from both businesses and individuals, both determined to maintain the already high cost of living at the status quo.

The now-infamous pension tax also failed in the Legislature after intense opposition from the public and House Republicans caused support for the measure to dwindle. As initially introduced, the measure would have started taxing pensions for

individuals with an income as little as \$37,500.

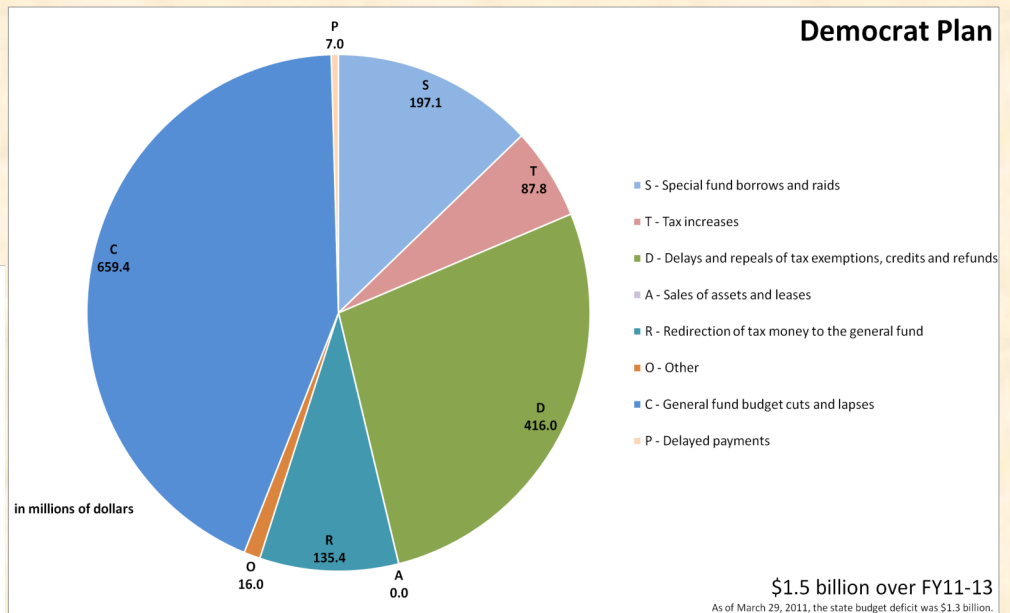
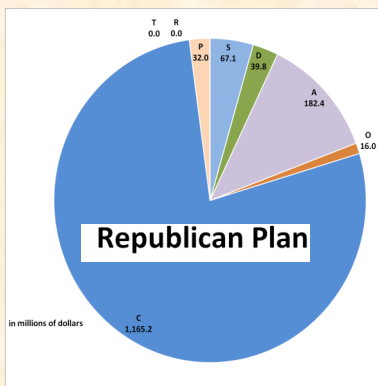
These measures in addition to a tax on sugary beverages, an increased alcohol tax and others would have taken over \$600 million out of the state's economy. Added to the \$500 million in cost increases that did pass the Legislature, these proposals could have been detrimental to Hawaii's families and businesses.

In contrast to Majority proposals, the House Republicans created their own financial plan, which was composed of \$1.1 billion in budget cuts that targeted government inefficiencies and duplicative functions without impacting essential services. According to the Republican plan, the remainder of the state's deficit would be made up by the sale of unused and underutilized public lands, borrows and transfers of excess monies from special funds, delays of tax credits and refunds for the wealthy, and the repeal of outdated exemptions.

To view the House Republican plan or to create your own plan using our interactive budget worksheet, visit [www.hawaiistatebudgetonline.com](http://www.hawaiistatebudgetonline.com).



**"House Republicans created their own financial plan, composed of \$1.1 billion in budget cuts that targeted government inefficiencies and duplicative functions without impacting essential services."**



\$1.5 billion over FY11-13

As of March 29, 2011, the state budget deficit was \$1.3 billion.





## Governor Vetoes

Governor Abercrombie had until July 12 to finalize veto decisions. Of the 23 bills passed by the 2011 legislature which he had considered for vetoes, he finally chose to veto 17. Summarizing his reasons as policy disagreements, issues with legislative details, or unfunded mandates, he explains, "some of these bills will not work as written despite their good intentions. Many others create addi-

tional work for our departments without any funding sources to carry them through. In these austere times, state agencies simply do not have the capacity to implement unfunded mandates that are not part of our Administration."

Earliest vetoes included: HB 382, which would have granted the Legislative Auditor unrestricted access to review your tax returns. SB 1416, also vetoed May 5,

would have allowed safety checks for new cars to be extended to three years from the date of purchase.

Later vetoes included HB 56, restricting grandparent visitation rights awarded by family court. SB 1493, requiring all new and replacement lights to be fully shielded in an effort to curb light pollution, involved enormous funding implications unfea-

sible at this time. Another, HB 667, attempted to create a food safety and security program within the Department of Agriculture. While Gov deems food safety critical, this provided neither funding nor authority to establish administrative rules. Other vetoed bills ranged from prison terms and inmate deaths to online voter registration and pseudoephedrine tracking.

## Asia-Pacific Economic Cooperative

### APEC member economies represent:

- 40% of world population (2.7 billion people)
- 43% of global trade
- 60% of US exports
- 55% of global gross domestic product (GDP)
- 7% average annual growth since 1989 (other economies saw just 5%)
- 88% of Hawaii's 2 million international travelers in 2009

### Attendees to APEC Leaders' Week in Hawaii

- approx 17,000 visitors (more than \$120 million)
- 21 heads of economy
- 2000+ members of global media
- 1000+ business executives

### Key themes for APEC 2011 Hawaii:

- A) Discovery: Arts, technology, renewable energy, health and life sciences (including tissue genesis), astronomy, earth & ocean resources, agriculture, education.
- B) Connection: Asia-Pacific Heritage, cultural diversity, business and education programs.
- C) Quality of life: 3<sup>rd</sup> safest city in the United States; sustainable growth; lowest carbon footprint (green); longest lifespan in the US (5<sup>th</sup> in the world); women as a thriving part of Hawaii's economy.

**"While Hawaii expects to garner \$120 million via direct revenues, APEC's main impacts will be intangible." - Lieutenant Gov. Brian Schatz, address to Rep. Ching and Chamber of Commerce leaders**

## Minority Caucus legislation was often included in passed bills, for example:



### HB 4 Interstate Compact on Educational Opportunity for Military Children:

Facilitates transfers between schools for military kids, including ensuring their transcripts are sent promptly, they're enrolled into the proper grade level, don't have to retake tests and get re-vaccinated, and get to play the same sports.

HB 424 Environmental Impact Statements; Exceptions: Ensures that small changes to state facilities, such as install-

ing new lights on a state highway, don't have to go through the Environmental Assessment/Environmental Impact Statement process.

HB 1376 News Media Disclosures: Protects journalists from having to disclose confidential sources.

SB 181 Photovoltaic, New Construction Feasibility Study: Studies requirements necessary in order for new homes to be photovoltaic ready.

SB 281 Animal Quarantine Facilities: Authorizes the lease & development of a quarantine facility in Halawa Valley.

SB 892 Service Animals & Americans with Disabilities Act: Recognizes and clarifies the role of service animals in helping people with physical handicaps.

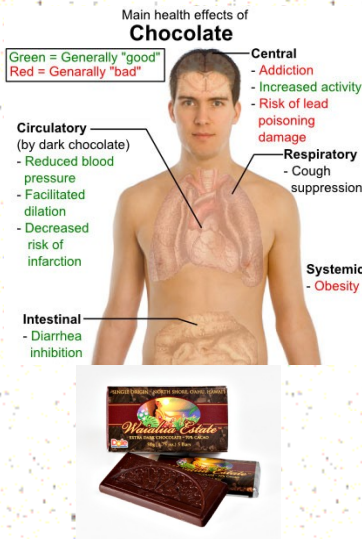
SB 1277 Legal Service Plans: Helps protect consumers who purchase pre-paid legal services plans.

# APEC & LILIHA REVITALIZATION

District 27 \* Nu'uauu, Liliha,  
Pu'unui, Alewa Heights

This year, Hawaii has the unique opportunity to host the APEC Leaders Week, November 8-31, 2011. The short term opportunities for Hawaii are increased economic impact and media exposure; long term opportunities include increased access to capital, new investment and enhanced trade, positioning Hawaii as a destination for high level and global meetings, and initiating sustainable programs to benefit Hawaii after APEC. The

The growing cacao market currently generates approximately \$75 billion worldwide annually. Hawaii's unique environment and climate position it as the only state in the US that can grow cacao. Our close proximity to both Asia and the mainland US position us to ideally capture and prosper from the growing chocolate market in Asia. Let us seize this opportune niche, and fulfill Hawaii's potential as gourmet chocolate capital of the US!



## TOP 10 REASONS TO SUPPORT CACAO IN HAWAII:

- (1) Economic potential for locals in research, marketing, agriculture, ecotourism and retail.
- (2) Of all 50 states, only Hawaii enjoys a climate suiting cacao growth requirements.
- (3) Cacao yields high demand in Asia; why not take advantage of our proximity to Asian markets.
- (4) Cacao represents quality over quantity, a niche market in which Hawaii can excel.
- (5) Cacao, the plant, is environmentally sustainable.
- (6) Cacao grows quickly compared to most other agricultural crops.
- (7) Cacao complements many other locally-grown products (papaya, mango, lilikoi, pineapple, Ka'u orange, apple banana); profits could surge reciprocally across agricultural sectors.
- (8) Cacao is a revenue-generating crop whose income helps to preserve green and open space.
- (9) Cacao has multiple uses: solid, liquid, cocoa butter (cosmetics) and more.
- (10) Cacao thrives in Hawaii's soil, thereby – like Kona Coffee – it boasts a naturally great taste.

## Liliha to Host Heritage Tours during APEC



Our district's first ever farmers market kicked off last month, with an inaugural event on June 7. Continuing farmers markets will be held every Tuesday from 4:30pm to 7:30pm at the Honolulu Central 7th Day Adventist Church front parking lot. Do not miss this opportunity to grab fresh produce and mingle with your

The Liliha Town Coalition and Rep. Ching plan to host heritage tours of the Nu'uauu-Liliha ahupua'a in conjunction with November's APEC convention. The tours anticipate an audience of middle-level APEC officials and families: many first-time visitors eager to experientially understand Hawaii's multifaceted socio-economic history.

Rep. Ching will personally deliver the tours, scoped to begin every two hours. Trolleys will transport APEC visitors from Wai-kiki, on to vibrant stops in a sequence designed to expose guests to Hawaii's development as it occurred chronologically over the last 250 years.



The Emmalani Hale (top) and the Natsunoya Tea House, two of the five stops slated for Rep. Ching's APEC District Heritage Tour of Nu'uauu and Liliha.



8th Annual  
"I Love Liliha" Town Festival  
10am-4pm, Aug. 28, 2011



**LILIHA**  
TM