



Senator Jill N. Tokuda

# 2015 LEGISLATIVE UPDATE

24th Senatorial District - Kaneohe, Kaneohe MCAB, Kailua, Heeia, Ahuimanu

July 2015

Dear Friends,

The 2015 legislative session presented us with exciting opportunities as we took on the Chairmanship of the Senate Ways and Means Committee. While faced with significant financial obligations and ever increasing demands for limited resources, we were able to invest in priority needs important to Hawaii's people, while also laying the groundwork for a stronger, more stable fiscal future for our State.

Hearing your concerns, we've focused on strengthening our capacity to deal with issues facing our community. For example, in the area of affordable housing, we provided over \$80M in funding in FY16 to increase available units and options, ranging from Housing First services for the homeless, to homes and livable communities for our seniors and working families. Understanding the increasing demands for programs and the need to ensure accountability in the delivery of these services, we provided additional staff support for our homeless services division as they work to meet the needs of our community.

We understood the need to create good jobs and support the growth of industries and businesses that will diversify our economy, so we invested in manufacturing and alternative energy research grants, and strengthened our state's agricultural loan program through the addition of \$2M in funding and the ability to use resources towards biosecurity projects.

We are continuing to work hard through the interim to ensure that district issues are addressed and preparing for the 2016 session as we seek to build upon the work that we were able to do this year. As we go out into the community, we look forward to seeing you soon, and please do not hesitate to contact us if we can be of assistance!

Mahalo,



Representative Ken Ito and Senator Tokuda serving breakfast at the Kiwanis Mother's Day Pancake breakfast at Benjamin Parker Elementary Cafeteria.

## Over \$20.5 Million for Senate District 24

Since 2007, Senator Tokuda has brought home over **\$168.5 million** in CIP funding for the 24th Senatorial District. During the 2015 Legislative Session, she fought to ensure that the following priority projects were funded for fiscal year 2016 so that our community's needs could be met::

<b>Castle High School</b> .....	<b>\$4,117,000</b>
<i>Construction for the expansion of the cafeteria.</i>	
<b>Kalaheo High School</b> .....	<b>\$240,000</b>
<i>Construction for campus rewire fire alarm system.</i>	
<b>King Intermediate School</b> .....	<b>\$350,000</b>
<i>Plans, design, construction and equipment for repair and maintenance of Building C bathroom pipes and ceiling.</i>	
<b>Pacific American Foundation (Grant-In-Aid)</b> .....	<b>\$1,500,000</b>
<i>Plans, design and construction for a new facility for education, research and employment programs in Kaneohe, Oahu.</i>	
<b>Kawainui Environmental Restoration Project</b> .....	<b>\$1,500,000</b>
<i>Design and construction of environmental cleanup, wildlife habitat restoration, and management facility enhancements.</i>	
<b>Hamakua Marsh</b> .....	<b>\$1,500,000</b>
<i>Design for a shared-use pathway at Hamakua Marsh.</i>	
<b>Heeia Pier</b> .....	<b>\$192,000</b>
<i>Plans, design and construction for installation of a waste water treatment system.</i>	
<b>Kahekili Highway</b> .....	<b>\$850,000</b>
<i>Land acquisition and design for highway widening and other improvements to provide corridor capacity and operational improvements from Likelike Highway to Kamehameha Highway.</i>	
<b>Keaahala Road</b> .....	<b>\$1,150,000</b>
<i>Land acquisition, design and construction for widening of Keaahala Road from Kahekili Highway to Pookela Street.</i>	
<b>Castle Hills Access Road</b> .....	<b>\$1,100,000</b>
<i>Land acquisition, design and construction for the widening of Castle Hills Access Road (Pookela Street), from Keaahala Road to Kupoho Street.</i>	

**TOTAL** ..... **\$12,499,000**

**In addition to that, over \$8.4 million for capital improvement projects were appropriated during this legislative session at the following schools: Ahuimanu Elementary, Aikahi Elementary, Ben Parker Elementary, Castle High, Heeia Elementary, Kaelepu Elementary, Kailua High, Kalaheo High, Kaneohe Elementary, Kapunahala Elementary, King Intermediate, Maunawili Elementary, Mokapu Elementary, Olomana School, and Puohala Elementary.**

# 2015 Legislative Session in Review

## State Lawmakers pass measures that align with legislative priorities

*On time and on target. State lawmakers this session passed a fiscally prudent biennial budget, and a cohort of measures that provide both the policy changes and resources that work in concert to meet the needs of our State. These measures reflect the depth and magnitude of the State's financial obligations while also taking into consideration the careful balance that must exist between supporting important and essential public priorities with the need to avoid overtaxing Hawaii's residents and businesses and creating unsustainable fiscal conditions.*

Heading into joint conference at the end of April, the Senate Ways and Means (WAM) committee presented its version of the state budget that reached positive revenues over expenditures by the next biennium, funded Senate priorities and streamlined information technology programs.

Despite an improved economic situation where the Council on Revenues in March had upgraded its projected growth in general fund revenues for the state to 5.5%, up 1% from their January projection of 4.5%, WAM remained committed to restrained spending and focused on funding important public services, providing for the constitutionally mandated budget reserve deposit and addressing the state's unfunded liabilities.

Three days before the May 1st deadline, allowing for time to continue negotiations on critical fiscal bills, House and Senate lawmakers reached an agreement on a \$26.17 billion state operating budget for the next two fiscal years that includes nearly \$6.6 billion in general funds for FY2015-2016 and \$6.8 billion in general funds for FY2016-2017.

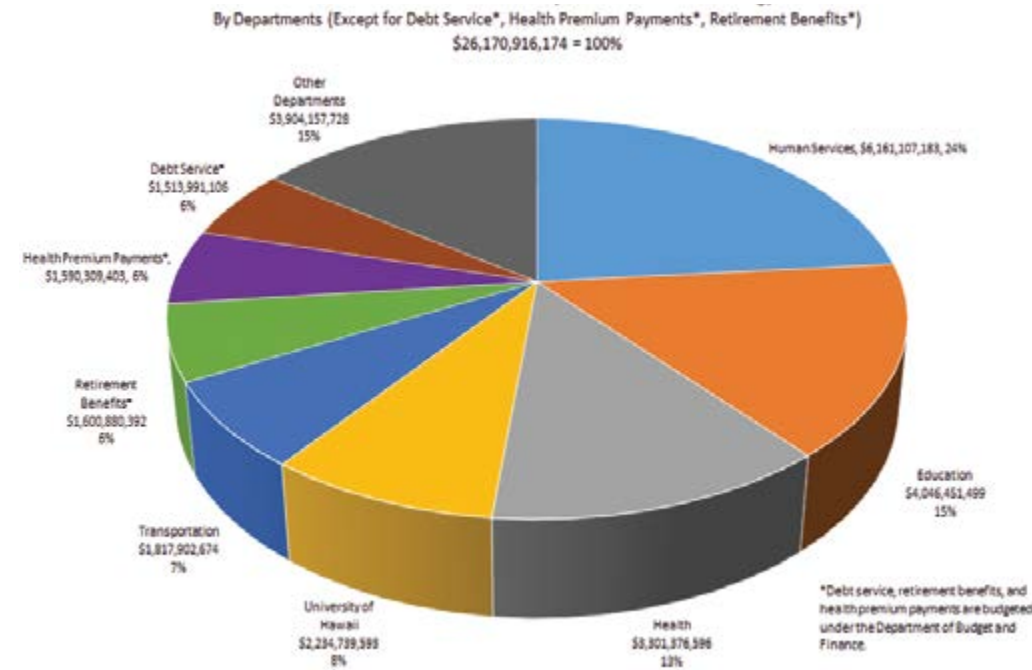
A few of the key funding elements including in HB500 include: an additional \$2.4M in FY16 and \$5M in FY17 for Weighted Student Formula to account for increased enrollment in our public schools; \$3M in FY16 for state family and elderly housing facilities; \$7.5M in each FY to the University of Hawaii to comply with the Violence Against Women Act & Title IX; and \$107.8M for the Hawaii Health Systems Corporation, not including an additional \$15M emergency appropriation for our state hospitals.

### Community Interest

**SB 284, Turtle Bay Easement Acquisition.** Allows the State to enter into an agreement with the owners of Turtle Bay that would protect 665 acres of undeveloped land on the North Shore of Oahu, which includes the purchase in fee of 65 acres around Kawela Bay.

**SB 519, Transient Vacation Rentals Enforcement.** Enhances the Department of Taxation's enforcement authority over vacation rentals and increases the

## Fiscal Biennium 2015-2017 (All Means of Financing)



resources available to the Department for enforcement activities.

**SB 555, Food/Excise Tax Credit Adjustment.** Restructured the food/excise tax credit to provide increases for low-income taxpayers and joint filers, and repeals eligibility for taxpayers with higher incomes. Repeals residency requirement. Sunsets the increased credit on December 31, 2017.

**SB 964, Kupuna Care.** Provides an additional \$3 million to fund the Kupuna Care program in fiscal year 2016, above and beyond the base budget of \$4.8 million.

**HB 393, Water Quality Waiver For Hawaiian Fishponds.** Waives the Department of Health's water quality certification requirements for the restoration, repair, and operation of Hawaiian loko i'a (fishponds) permitted by the Department of Land and Natural Resources.

**HB 830, Single-Family Dwelling/Townhome Historic Review Exemption.** Exempts from the Historic Preservation Division's historic review requirement

any work on a single-family dwelling or townhome that is over fifty years old, but not listed on or nominated for the Hawaii or national register of historic places or not located in a historic district.

**HB 1140, Cesspool Tax Credit.** Provides a temporary income tax credit of up to \$10,000 to help offset the cost of upgrading or converting a "qualified cesspool" to a septic system or an aerobic treatment unit system, or connecting to a sewer system. Credits commence once Department of Taxation and Department of Health implement program as defined.

**HB 1153, Disabled Veteran's Vehicle Registration.** Exempts a veteran with one hundred per cent disability from payment of the registration fee for the disabled veteran's vehicle.

**Police Misconduct, SB2591:** Police departments will have to disclose more information about police misconduct. They will need to report to the Legislature how many officers were suspended or fired in a given year, and whether the disciplinary action resulted in criminal charges or was subject to a union appeal.

### Providing Resources for Public Priorities

**HB 500, Executive Budget.**

**SB 1312, Emergency & Budget Reserve Fund Appropriation.** Appropriates \$10 million in fiscal year 2014-15 for deposit into the emergency and budget reserve fund. Makes the appropriation to comply with article VII, section 6, of the Hawaii state constitution, which requires the deposit of moneys into a reserve fund or provision of a tax refund or credit when the general fund balances at the end of two successive fiscal years exceed five per cent of the general fund revenues for those fiscal years.

### Increasing Legislative Control Over Budgeting

**SB 1361, Position Count Ceiling.**

Requires the budget documents to identify the position ceiling for each budget program. Requires the ceiling to set the maximum number of permanent and temporary full-time equivalent positions. Provides certain exceptions to the requirement.

Adds a provision allowing a department head, with the approval of the governor, to establish and abolish any subordinate position for an employee engaged in a special, research, or demonstration project approved by the governor, subject to the limitations of available appropriations. This provision is necessary to give the Governor and state departments flexibility and authority to establish unbudgeted positions when immediately necessary.

**SB 250, Federal Funds Appropriation.**

Provides that federal funds "reasonably anticipated to be received" are subject to appropriation by the Legislature. Allows "unanticipated federal moneys" to be expended when authorized by budget proviso.

### Maximizing Legislative Flexibility Over Budgeting

Passed the following bills to maximize legislative flexibility and control over budgeting and the funding of public priorities. The bills are intended to increase the resources available to the Legislature without increasing taxes.

- (1) **SB 101** which amends the distribution of tobacco master settlement agreement funds;
- (2) **SB 1297** which limits the distribution of cigarette tax revenues to certain non-general funds; and

- (3) **SB 1299** which limits the distribution of conveyance tax revenues to certain non-general funds.

### Improving Budget Decision Making Capability

**SB 253, State Debt Management Policy & Debt Affordability Study.**

Requires the Director of Finance to submit to the Legislature a recommended state debt management policy consisting of guidelines and restrictions on the amount and type of bonds issued by state government, the issuance process, and management of the state debt portfolio. Requires also the Director of Finance to submit to the Legislature a debt affordability study consisting of information on the projected annual appropriation to pay the debt service on bonds and examination of whether projected annual revenues are adequate to pay the annual debt service on bonds.

**SB 104, Efficiency Measures Pilot Project.**

Requires the Director of Finance to select one state department to participate in a pilot project on the establishment of and data collection for efficiency measures of the department. Requires the Director to evaluate the pilot project and recommend the Legislature whether efficiency measures should be prepared by all departments for inclusion in future budget documents.

**SB 92, Tax Credit & Exemptions Report.**

Requires the Department of Taxation to publish annual reports on general

excise tax exemptions and submit them to the Legislature. Requires also the Department of Taxation, on or before December 31, 2015, to report to the Legislature on the status of its forms and reporting capabilities under the tax system modernization project.

To increase the information available to the Legislature on the long-term impacts of budget decisions, the following bills were passed to require additional data on the actual and potential future obligations in the budget documents submitted annually to the Legislature:

- (1) **SB 105** which requires a summary of the projected annual debt service on bonds for the financing of capital improvement projects;
- (2) **SB 158** which requires a summary of the State's pension liability and other post-employment benefit liability for retired public employees; and
- (3) **SB 254** which requires a summary of the estimated operational costs for proposed capital improvement projects and deferred maintenance costs for state buildings, facilities, and other improvements.

### Education

**SB 64, Preschool Open Doors**

**Appropriation.** Appropriates \$6 million to continue additional funding for the Preschool Open Doors Program and to subsidize the cost of school readiness programs for working families, with priority given to late born children preparing to



Senator Tokuda with Bettye Jo Harris and husband Dr. Ernest Harris after being honored on the Senate floor for receiving the NAACP Lifetime Achievement Award for Distinguished Service.

enter kindergarten.

#### **SB 374, UH Dual Credit Program.**

Renames the “running start program” to the “dual credit program” and broadens the participation to include ninth and tenth graders from public and home-schooled students for courses offered on University of Hawaii campuses.

#### **SB 376, Farm-To-School Program**

**Appropriation.** Establishes a farm-to-school program in the Department of Agriculture to promote the consumption of Hawaii-grown foods in state facilities, primarily educational facilities. Appropriates \$75,000 for the program.

#### **SB 822, Minimum School Hours**

**Revision.** Clarifies the implementation schedule and calculation method for minimum number of days and student hours required for public schools. Applies the requirement for a 180 day, 1,080 hour school year to all school years beginning with the 2016-2017 school year.

#### **HB 1251, Charter Schools Facilities**

**Funding.** Requires state departments to consider making any facility due to be closed available to a public charter school. Establishes a Charter School Facilities Working Group to advise the Charter Schools Commission on the allocation of state funds for public charter school facilities.

#### **HB 1440, Hawaii Keiki Program**

**Appropriation.** Appropriates \$1 million in fiscal year 2015-16 and fiscal year 2016-17 for the Hawaii Keiki: Healthy and Ready to Learn Program that enhances school-based health services. Requires a \$500,000 non-state funds match in fiscal year 2016-17.

### **Housing**

Housing programs and projects were funded in HB 500, the Executive Budget Bill. Highlights were the following:

- (1) Appropriates \$40 million in fiscal year 2015-16 for deposit into the Rental Housing Trust Fund for development of affordable rental housing projects;
- (2) Authorizes the expenditure of an additional \$16 million (from additional conveyance tax revenues) in fiscal year 2015-16 and fiscal year 2016-17 for affordable rental housing purposes (a total of \$38,000,000 is deposited annually from conveyance tax revenues into the Rental Housing Trust Fund);
- (3) Appropriates \$3 million in fiscal year 2015-16 for state family and elderly housing facilities that house low-income persons and families;



Senator Tokuda reading to Kaneohe Elementary Pre-K students in HCAP's Read to Me program.

- (4) Appropriates \$1.5 million in fiscal year 2015-17 for the Housing First program, the purpose of which is to provide homes and social services to the homeless; and
- (5) Authorizes and funds 2.00 positions for better coordination of homeless services contracts and programs.

### **OTHERS APPROVED BY CHAIR**

#### **Disaster**

##### **SB 1211, Major Disaster Fund**

**Appropriation.** Increases the expenditure ceiling on Major Disaster Fund moneys. Allows for additional funds required for matching federal disaster relief funds. Requires the Adjutant General to report any allotment of fund moneys or any expenditure of fund moneys to the Legislature within one month of the allotment or expenditure. Appropriates \$1.5 million for deposit into the Major Disaster Fund.

#### **Economic Development**

##### **SB 1001, Manufacturing Development Program Appropriation.**

Establishes and appropriates funds for the manufacturing development program, through which the High Technology Development Corporation may distribute grants to Hawaii manufacturers for purchasing equipment, training employees, improving existing energy efficiency equipment or planning the implementation of a new manufacturing facility.

#### **Energy**

##### **HB 1509, UH Net Zero Energy Efficiency.**

Requires the University of Hawaii to establish by January 1, 2035 a “net-zero goal” under which as much energy is produced as consumed across all campuses.

##### **HB 1513, Alternate Energy Research Grants.**

Appropriates \$1 million in fiscal year 2015-16 and fiscal year 2016-17 for alternative energy research and development grants to supplement contract awards for the same purpose from the U.S. Office of Naval Research.

#### **Environment**

##### **SB 359, Environmental Response Revolving Fund Use.**

Focuses the use of the environmental response revolving fund on emergencies caused by oil spills and other pollutant releases.

#### **Health**

##### **SB 791, Autism Insurance Coverage.**

Requires insurance companies to provide coverage for autism diagnosis and treatment until a child turns 14. Establishes a maximum benefit of \$25,000 per year for applied behavioral analysis for services for children 13 and under.

##### **HB 321, Medical Marijuana**

**Dispensaries.** Establishes a regulated system of medical marijuana dispensaries for certified medical marijuana patients, with applications by potential dispensary operators accepted by the state starting



Senator Tokuda speaking to Castle Complex Leadership Camp students.

in January. The bill allows dispensaries to begin operation as early as July 2016.

#### **Transportation**

##### **HB 134, County General Excise & Use Tax Surcharge For Honolulu Rail & Neighbor Island Counties.**

Allows the City and County of Honolulu to extend the half-percent excise tax surcharge for five additional years, until 2027, to provide more funding to cover the projected cost overruns for the city's \$6 billion rail transit project. Allows the neighbor island counties to impose a similar surcharge between January 1, 2018 and December 31, 2027.

### **OTHERS STILL UNDER CONSIDERATION**

**SB 225, DUI Habitual Offender.** Expands the offense of habitually operating a vehicle under the influence to include a person who was convicted of that offense one or more times within the previous ten-year period.

**SB 349, Renewable Energy Fuel Production Tax Credit.** Establishes a five-year renewable energy fuel production tax credit. Makes the credit available to a taxpayer who produces in Hawaii a certain amount of energy from renewable feedstock, such as crops and waste.

**SB 367, UH Affirmative Consent Task Force.** Establishes an affirmative consent task force to review and make recommendations on the University of

or electronic smoking device to 21 from 18. Defines “tobacco products” to include electronic smoking devices.

**SB 1050, Community Renewable Energy Projects.** Establishes a community-based renewable energy program, which would allow electric utility customers to participate in renewable energy projects that produce electricity, which they can sell back to electric utility companies.

#### **SB 1060, Agriculture Biosecurity**

**Loans.** Allows for agricultural loans to be administered for livestock biosecurity projects to assist the livestock industry by establishing a low-interest biosecurity loan program within the Department of Agriculture for construction, improvements, purchase of equipment and other costs related to biosecurity projects.

#### **HB 623, Renewable Energy Portfolio Standards Increase.**

Increases the State's renewable portfolio standards to 30 percent of net electricity sales by the end of 2020, to 70 percent by the end of 2040 and to 100 percent by the end of 2045. Requires the Public Utilities Commission to include the volatility in its renewable portfolio standards study and report to the Legislature.

#### **HB 1343, Natural Disaster Business**

**Recovery Centers.** Appropriates \$328,000 in fiscal year 2015-16 to match federal funds for the establishment of a business recovery center after a natural disaster. The purpose of the center is to assist businesses and communities recover after such an event.

Hawaii's executive policy on domestic violence, dating violence, sexual assault, and stalking.

#### **SB 892, Hawaii Resiliency & Sustainability Appropriation.**

Appropriates funding for Hawai'i resiliency and sustainability strategy in the areas of broadband, energy efficiency and smart grid, and water and sewer infrastructure.

**SB 1030, Smoking Prohibition For Under 21.** Increases the minimum age required to purchase any tobacco product



Members of the Senate Ways and Means and House Finance committees meeting during conference to negotiate the State Budget.

# Senate District 24

## Natural Disaster Awareness Briefing and Legislative Wrap Up

*Hosted by Senator Jill Tokuda and Representative Ken Ito*

**Thursday, August 13, 2015  
Windward Community College,  
Hale Akoakoa, Room 105  
7:00pm-8:30pm**

Please join us as representatives from the National Disaster Preparedness Center will discuss how to plan and prepare in the event of severe weather. We will also discuss the outcomes of the 2015 Legislative Session and highlight the State budget while providing you with an opportunity to share your thoughts and concerns about issues facing our community. For more information, please contact our office at 587-7215.



**Senator Jill N. Tokuda**  
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## 2014 Kiwanis Distinguished Service Award

Senator Tokuda was presented with the 2014 Distinguished Service Award by the Kiwanis Club of Kaneohe. The award is given in recognition of a member's outstanding leadership and service to the community. Senator has been a long-time supporter of the Kiwanis of Kaneohe, participating in events such as the Club's Annual Mother's Day Pancake Breakfast.



*Senator Tokuda with members of the Kiwanis Club of Kaneohe receiving the Distinguished Service Award.*



*Senator Tokuda with Windward Community College art students who participated in Senator Tokuda's Art Review (STAR) Program.*

## Senator Tokuda's Art Review (STAR) Program

STAR continued for its 9th year during the 2015 legislative session showcasing the artistic talents of students from Windward Oahu. This year we had the privilege of having art displayed at the State Capitol from more than 294 artists at 11 schools in Senate District 24, including: Ahuimanu Elementary, Kaneohe Elementary, Kapunahala Elementary, Parker Elementary, Aikahi Elementary, Mokapu Elementary, Kaelepulu Elementary, Olomana School, King Intermediate, Kailua High, and Windward Community College.

### CONTACT SENATOR JILL TOKUDA

Chair, Committee on Ways and Means • Member: Committee on Tourism and International Affairs, Committee on Government Operations

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