

Representative
 Kyle Yamashita
 State Capitol, Rm. 402
 Honolulu, Hawaii 96813



End of
 Session
 2007

Presorted Standard
 U.S. Postage Paid
 Honolulu, Hawaii
 Permit No. 9882

Legislative News

A newsletter from State Representative Kyle Yamashita

Contact Info, NI Direct: 984-2400 x66330 • Fax: (808) 586-6331
 E-Mail: repyamashita@capitol.hawaii.gov

Aloha Friends and Neighbors!

It was a pleasure and privilege to serve as your representative in the 2007 Legislative Session. At the end of the session, it's time to reflect on our accomplishments and get ready to roll up our sleeves for next year.

We began the year with a surplus and invested it in programs to develop affordable housing, ensure quality health-care especially in rural areas, and provide schools with necessary materials and technology. We also passed the Keiki Care bill, which will expand health-care coverage to all of Hawaii's children, and tax relief targeted at low-to-middle-income earners.

I am also grateful to my colleagues in the House and Senate for passing a budget that responds to the needs of our community. I welcome your suggestions for the future and look forward to what we can accomplish together next year.

Although the 2007 legislative session has adjourned, please keep in touch with me about your concerns. Your participation in the democratic process is vital to bring views and opinions to the forefront.

With warmest aloha,

Rep. Kyle Yamashita

Appointed as New Economic Development & Business Concerns Committee Chair

Innovations and Economic Development

As chair of the Committee on Economic Development and Business Concerns, I am interested in transitioning Hawaii to a new economy, based on innovation and high technology. Here are highlights of the 2007 bills that will prepare our businesses and workforce to compete in the future:

HB1631 – High Technology Tax Credit Reporting (Act 206). This measure provides a tool for the Legislature to evaluate the effectiveness of high technology tax credits. Businesses that receive credits will be required to provide information such as jobs created, wages paid to employees, revenues, and research activi-



Kyle celebrated opening day at the Legislature with senior retirees from Maui.

ties. The Legislature wants to ensure that businesses that receive high technology tax credits are providing economic benefits to the state in return.

HB1083 - \$5 Million for High Tech Start-Ups. The Legislature recognizes that fledgling high tech companies may have great ideas, but need assistance turning those ideas into commercial operations. Called the "follow on" funding program, projects that initially received money from the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences will be eligible for funds that help take these businesses to the next level.



Pukalani Elementary School students visited the State Capitol in April.

continued on page 4

This year, the Legislature took care of many of Hawaii's basic needs and laid the groundwork for continued progress in 2008. Here are our top five accomplishments in that area:

Tax Relief

The Legislature passed three major tax relief measures. If the state has a certain level of surplus revenues for two years in a row, the Legislature is required to return a portion of the surplus to taxpayers. Such was the case this year. Rather than giving back a relatively small amount to all taxpayers, **SB148** provides a sliding scale credit that aims to help low-to-middle-income earners. (For couples filing jointly, the scale ranges from \$160 to \$90 for adjusted gross incomes ranging from under \$5,000 to \$60,000.)

SB1882, the Food/Excise Tax Credit, also assists those who need it most. It allows for a sliding scale income tax credit for low-to-middle-income earners. (The scale ranges from \$85 to \$25, per exemption, for adjusted gross incomes ranging from under \$5,000 to \$50,000.)

For Hawaii drivers, **HB1757 restores a general excise tax exemption of 10 cents per gallon of ethanol** purchased at the pump. The exemption is applied to gas retailers who agree to pass along the savings to consumers. The Legislature also passed **SB990**, a petroleum industry monitoring bill, to ensure that they do.

Healthcare

Through **HB1008, the Keiki Care Bill**, Hawaii joins Illinois as the only states in the nation to ensure that every

child in the state is covered by health insurance. This is a 3-year pilot program for a joint partnership between the state and HMSA. It expands health insurance coverage for children who are not covered by any other private or public system.

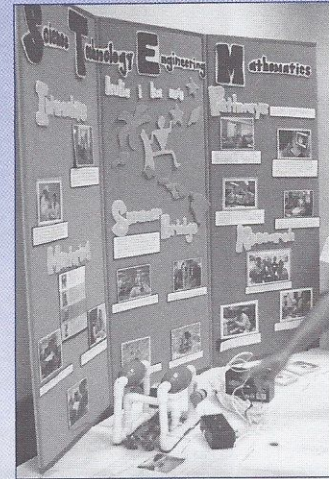
The Legislature also passed **HB10** which strengthens Hawaii's Rx Plus program to help Hawaii residents without prescription drug insurance. This measure is intended to reduce prescription drug costs for Rx Plus enrollees by making rebate agreements between drug manufacturers and the state mandatory.

Other significant healthcare bills include **SB12**, which restores **health insurance rate regulation**; **SB1678**, which increases **Medicaid reimbursement fees** for doctors; and **SB1792**, which establishes **regional system boards under the Hawaii Health Systems Corporation** in order to better serve rural communities.

Top Five Accomplishments



Pictured above with Kyle are Benjamin B. Massenburg V and his parents. Benjamin was honored by the State Legislature for being the first student from King Kekaulike selected as a 2007 Presidential Scholar.



Kyle with a student of Science, Technology, Engineering, and Mathematics (STEM) Technology Day at the State Capitol.

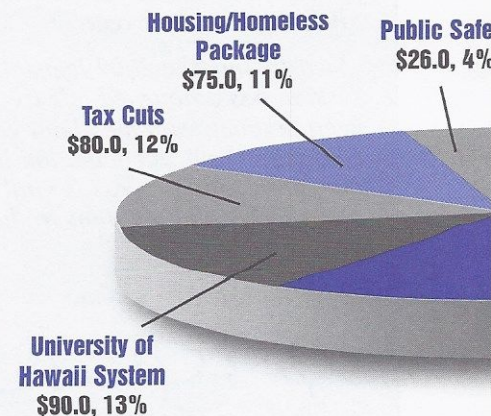
Affordable Housing

Affordable housing and homelessness remain two of the state's most pressing problems. While solutions won't happen overnight, the Legislature took important steps by devoting more resources toward the development of affordable housing projects and homeless shelters.

SB1917, the Omnibus Housing Bill, designates \$14 million for planning, design and construction of affordable housing projects

Where Did the Money Go?

Lawmakers were faced with a budget surplus in the fiscal year. However, state economists are predicting a considerable deficit. Given this situation, the Legislature's cautious approach of investing in the programs and services that Hawaii depend.



Kyle and the Pukalani Boy Scouts and Cub Scouts preparing for the Annual Maui County Fair Parade.

Issues of the 2007 Legislature



Science, Technology, and Innovation at the Science and Technology Center.



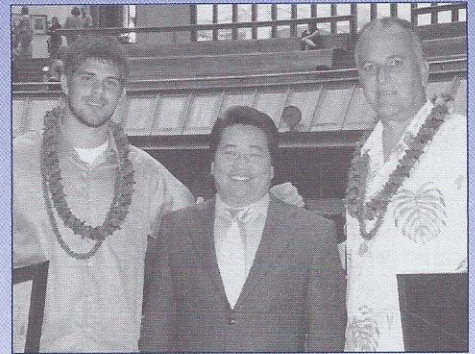
Shown above are Marseu Simpson and Alii Chang of Alii Kula Lavender Farm. They received the 2007 Small Business "Home Based Business Champion" Award.

lion will go to the Department of Education for repair and maintenance, and \$50 million will go to the University of Hawaii for facility repair and maintenance and to address health and safety issues.

The University of Hawaii – West Oahu received a big boost from the Legislature in 2007. After many years in the planning stages, \$35 million was approved for the

design and construction of the new campus, and \$100 million will be placed in a special fund for land purchase.

The Legislature also changed the way candidates for the UH Board of Regents will be selected. As mandated by the constitutional amendment passed by Hawaii's voters in 2006, SB14 creates an advisory council to select candidates for the Governor's consideration. The bill also increases the membership of the Board of Regents and requires appointees from each county in order to assure representation from all geographic areas of the state. The change is intended to take politics out of the selection process and will result in candidates with broader backgrounds and perspectives.



University of Hawaii football quarterback Colt Brennan and coach June Jones were honored at the Legislature.

Energy and Environmental Protection

SB1946 strengthens Hawaii's dam safety law to improve public safety and to provide better resources for the state to inspect and monitor our dams and reservoirs. After the tragic Kaloko dam breach in March 2006, the legislature directed the Attorney General to select a special deputy to perform a public investigation into the causes of the accident. The new law implements many of the recommendations of the public report.

HB226 addresses the world's most pressing environmental crisis – global warming caused by greenhouse gas emissions. The measure establishes a task force to create a statewide policy to limit greenhouse gas emissions into our atmosphere, with a goal of reducing emissions to 1990 levels by January 1, 2020. Hawaii becomes the second state in the country, after California, to adopt global warming legislation.

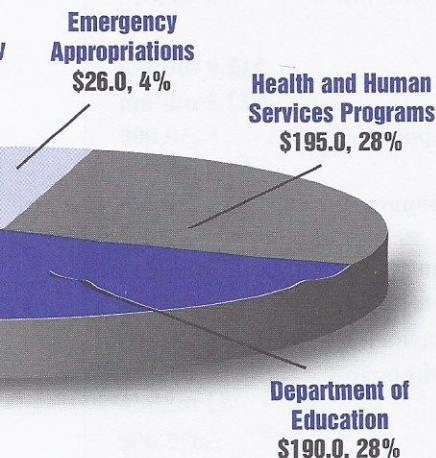
with private and non-profit developers, \$6 million for homeless shelters and services, requires that the counties allow indigenous Hawaiian architecture in developing affordable housing, and maintains the percentage of conveyance tax dedicated to the Rental Housing Trust Fund.

Education

Fixing our schools remains one of the Legislature's top priorities. This year, \$75 mil-

Where Will the Surplus Go?

of nearly \$700 million at the end of the last session that Hawaii's economy is slowing down. The Legislature has adopted the prudent, responsible, and cautious approach to infrastructure upon which the people of



Coordinator, Emily Haines-Swatek (standing, second from left) and Project EAST members visiting at the State Capitol on Technology Day.

Innovations and Economic Development

continued from page 1

HB1630 – Technology Workforce Development. The bill appropriates \$1.1 million to the Department of Education to prepare students for careers in Information Technology. This includes supporting the Project EAST Program in existing schools and expanding the program to other schools across the state. Project EAST integrates cutting edge technology and computer applications into the educational curriculum, setting the foundation for our current and future workforce.

SB885 – Technology Education (Act 111). This bill provides funding for a number and variety of technology programs designed to prepare Hawaii students for science and technology careers. This includes an agricultural education program, robotics, engineering, and mathematics.

SB709 – Relating to Economic Development (Act 148). This bill will improve the state's ability to assess its progress in creating an innovation economy, including growth in such industries as ocean sciences and technology, biotechnology and life sciences, astronomy, film and creative media, diversified agriculture, aquaculture and specialty tourism.

SB188 – Relating to the Small Business Regulatory Flexibility Act. This bill will help small businesses by improving the procedures for reviewing rules that affect them. The bill expands the Small Business Regulatory Review Boards duties to include reviewing and commenting on any new or proposed state agency rule.

Noteworthy Agricultural Legislation

HB399 – Relating to Agriculture. This bill helps to protect vital soil and water resources by appropriating \$500,000 in fiscal year 2007-2008 for the operation of the Soil and Water Conservation Districts.

HB400 – Relating to Agriculture. This bill facilitates efforts to implement the Hawaii Drought Plan by appropriating \$4 million in fiscal year 2007-2008 for drought mitigation measures in each county of the state.

HB1221 – Relating to Agriculture. This bill mitigates the potentially devastating effects of skyrocketing feed costs on Hawaii's livestock industry by establishing the Livestock Revitalization Program to provide grant assistance to qualified producers of milk, poultry, pork and beef.

Other 12th District Funds

\$46,983,063 for FY 2007-2008 and \$70,789,063 for FY 2008-2009 in special funds were provided for **Hawaii Health Systems Corporation**, with a portion allocated to **Kula Hospital** for its conversion to critical access hospital status; and

\$2,640,000 for FY 2007-2008 and \$475,000 for FY 2008-2009 in special funds were provided for the restoration, reforestation, hazard mitigation, and general forestry and rood repair for the Kula Forest Preserve on Maui following the Waiohuli forest fire.

Capital Improvement Projects for 2008-2009

UPCOUNTRY MAUI

Kula Hospital	\$2 million
<i>Upgrade flooring and plumbing and replace wastewater/cesspool system and grease trap.</i>	
Upcountry Maui Watershed	\$6 million
<i>Plans, land acquisition, design, and construction for the installation of pipeline for the upcountry Maui watershed project.</i>	
Kalama Intermediate School	\$500,000
<i>Design and construction for renovation of the administration building, group and site improvements, equipment and appurtenances.</i>	
King Kekaulike High School	\$410,000
<i>Design for a new auditorium.</i>	
Kula Elementary School	\$225,000
<i>Repair and maintenance.</i>	
Makawao Elementary School	\$116,000
<i>Repair and maintenance.</i>	
Pukalani Elementary School	\$909,000
<i>Design, construction, and equipment for electrical upgrades, ground and site improvements, equipment and appurtenances.</i>	
Haleakala Highway Widening at Milepost 0.8	\$190,000
<i>Land acquisition and design for widening the highway from one lane to two lanes, extending a box culvert, and construction headwalls and wing walls.</i>	

MAUI COUNTY

Maui Community Arts and Cultural Center	\$250,000
Hale Makua	\$750,000
Maui Memorial Medical Center Generators	\$3.2 million
Hana Highway Widening	\$400,000
<i>Ka'ahumanu Ave. to Airport Access Rd.</i>	
Puunene Ave. Widening	\$500,000
<i>Wakea Ave. to Kuihelani Hwy.</i>	
Maalaea Small Boat Harbor	\$6 million
Maalaea Small Boat Harbor Electrical Improvements	\$1.3 million
Maui Economic Development Board, Inc.	\$300,000
Bike and Pedestrian Trail	\$100,000
Guardrail and Shoulder Improvements on State Highways	\$1 million
Traffic Operational Improvements to Intersections and Highway Facilities	\$900,000
Kahului Airport	
Terminal Improvements	\$12.9 million
Access Road	\$22.3 million
Program Management Support	\$250,000
Parking Lot Expansion	\$7.5 million
Stormwater Permit Compliance	\$4.2 million
Kahului Harbor	
Barge Terminal Improvements	\$1 million
Navigational Improvements	\$700,000
Kahului West Harbor Development Plan	\$200,000
Wharf Street Shed Demolition and Sitework Improvements	\$3 million
Harbor Improvements	\$575,000