

2011 Legislative Highlights

How We Balanced the Budget

At the start of the 2011 legislative session the state faced a \$1.3 billion shortfall. It was evident that the primary focus of the legislature was to balance the budget which required significant cuts to programs and increase taxes and fees.

We were successful in **NOT** raising the General Excise Tax (GET) which would have affected every person and business in the state. In addition we did **NOT** take away the Transient Accommodation Tax (TAT) from the counties, which would have only resulted in increased property taxes for Hawaii's homeowners.

“Legislature took a conservative approach and passed a budget that was \$336 million below the Lingle proposed budget and worked in a \$300 million cushion.”

The main revenue generator was the temporary elimination of tax exemptions for special interest groups. As seen on the chart to the right, revenue increases are projected to generate \$499 million dollars for the state. **Please note this is NOT a tax increase, but special interest groups had the privilege of not paying GET even while recording record profits.**

It is not widely known, but with the tsunami in Japan and the shortfall of projected revenue the state was \$200 million short in revenue. The state government needed to borrow from the Rainy Day Fund and the Hurricane Relief Fund just to get through July 2011. To avoid the same problem next year, the Legislature took a conservative approach and passed a budget that was \$336 million below the Lingle proposed budget and worked in a \$300 million cushion.

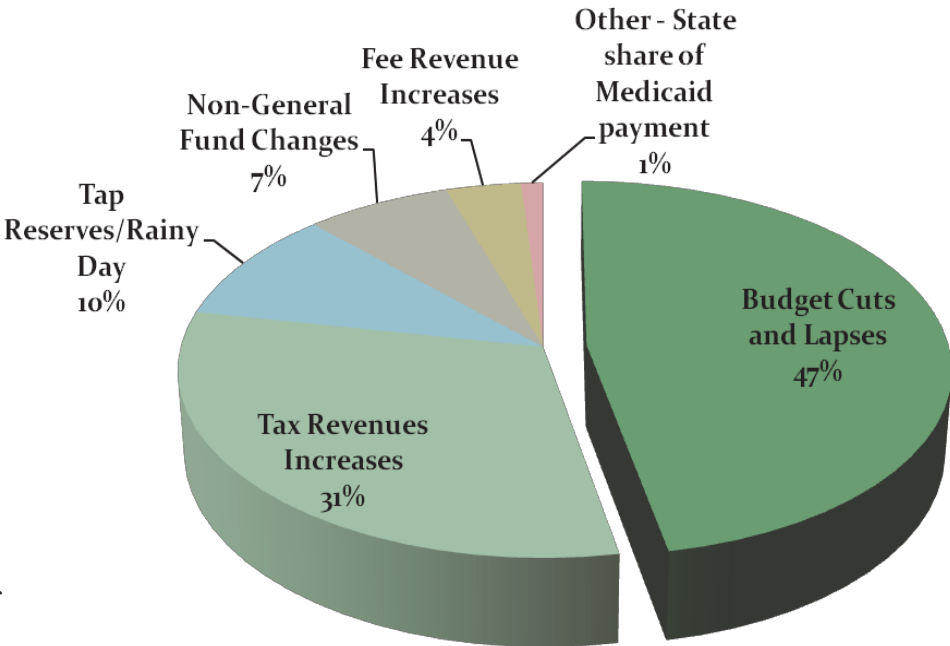
“with the tsunami in Japan and the shortfall of projected revenue, the state was \$200 million short... just to get us to July 2011”

In summary, the actions we took were responsible. They demonstrate where our priorities lie: preserve the safety net for the disadvantaged and elderly, support education and protect the health and welfare of our citizens.

Source	Amount
Budget Cuts and Lapses	\$756.5 mil
Tax Revenues Increases	\$499.4 mil
Non-General Fund Changes	\$117.0 mil
Tap Reserves/ Rainy Day	\$157.0 mil
Fee Revenue Increase	\$60.6 mil
Other- State share of Medi- caid payment	\$17.5 mil
TOTAL	*\$1,608 billion

Deficit
\$1.3
Billion

Cushion
\$300 +
Million



**General Funds Only, July 1, 2011 through June 20, 2013*

Repairing East Honolulu Fishpond Saves Tax Dollars



Left-Kalauha'ihai Fishpond, 1980's
Photo: T. Hara, courtesy MFHC



Right- April 2010.
Photo: J. Kennedy.

**By Chris Cramer*

Visitors to Kalauha'ihai Fishpond and its nearby ecosystem along Maunalua Bay will notice something terribly wrong. Underground lava tubes that fed the natural fresh water springs were blocked during the widening of Kalaniana'ole highway in the early 1990's.

In 2009, the City and County of Honolulu published a figure of “1 million gallons” of fresh water that leaks every day into the sewer from this area.

This massive leak has continued for years in an area fronting Kalauha'ihai Fishpond in Niu. *In this economy it makes no sense to continue to pay to treat our fresh water as wastewater at Sand Island.* Every gallon of

**For more information on Maunalua Bay. Maunalua Fishpond Heritage Center visit their website: maunaluafishpondheritage.com*



Photo: Left to right Rep. Hashem, Maunalua Fishpond Heritage Center board members Chris Cramer and Kauai Lucas, and Tony Costa of the Hawaii Near Shore Fisherman Organization receive a copy of House Concurrent Resolution 104.

wasted water costs money. We pay when it damages infrastructure on entry and we pay to treat it when it exits at Sand Island.

During the 2011 Session, Rep. Hashem successfully introduced HCR 104. This resolution requests State support for a study on returning the leaking water to its traditional path through Kalauha'ihai Fishpond and Maunalua Bay. Both the House and Senate recognized the need to reduce the costly sewer and utility overload.

Repairing the leaking groundwater artery could literally turn back the clock by restoring the fresh-water “lifeblood” to the Niu fishery and Maunalua Bay. Maunalua Fishpond Heritage Center in conjunction with the state are taking the next step to do a study to revive the fresh water springs to prevent further ecosystem and infrastructure damage.

House Acknowledges Niu Valley Principal



**Photo: Justin Mew and Rep. Hashem*

JUSTIN MEW, principal of Niu Valley Middle School accepts certificate and congratulations from Rep. Hashem. Mr. Mew was named the 2010 Metlife National Middle School Principal of the Year. Good Job Justin!!

Presentations to the Rotary Clubs of Kahala & East Honolulu



**Photo: Darrell Large President of the Rotary Club of East Honolulu and Rep. Hashem*

Rep. Hashem presented “The State Budget and Highlights of the 2011 Legislative Session” to both the Rotary Club of Kahala Sunrise and the Rotary Club of East Honolulu in June.