



IN THIS ISSUE

- ▶ Message From Kalani pg 1
- ▶ Legislative Session Review pgs 1 - 4
- ▶ Omnibus Hawai'i Resilience and Sustainability Strategy pg 4

MESSAGE FROM KALANI

Now that the legislature has adjourned, we can recap for you some of the bills that passed and have either been signed into law by the Governor or await his signature. We can also give you an infographic on the State's \$26 billion budget so that you can see, by category, how the money is allocated.

The Governor has until July 15 to either sign, veto or allow a bill to become law without his signature. After that date we will know which bills have become law and which will not.

Our goal for the 2015 session was met with the passage of the SB 892, SD2, HD3, CD1, the Hawai'i Resilience and Sustainability Strategy. Taking the long view, we hope to improve Hawai'i's critical infrastructure as well as provide enough broadband for everyone to thrive.

During the interim, I will be working with my colleagues in the Senate to develop our Program of Action for the 2016 legislative session. I hope to build on the work of the Hawai'i Resilience and Sustainability Strategy in order to move us into a brighter future.

*J. Kalani English*

SENATOR J.KALANI ENGLISH

HAWAI'I STATE SENATE 7TH DISTRICT

HĀNA, EAST AND UPCOUNTRY MAUI,  
MOLOKA'I, LĀNA'I AND KAHO'OLAWÉ

LEGISLATIVE SESSION IN REVIEW

At the end of the 2015 Session of the 28th Legislature, the Hawai'i State Senate is proud of its accomplishments: passing more than 200 bills that address Hawai'i's keiki, kupuna, homeless, the environment, and the economy.

Highlights of this session include the passage of a financially prudent budget that positions the State to be in a better position not just for this biennium, but for many years into the future. At the same time, Senators made decisions that benefit education, public safety, healthcare and protect our natural resources. They also remained committed to passing initiatives that support the Senate's Legislative Agenda to move Hawai'i towards a more resilient and sustainable State. Here you will find a summary of some of the bills passed this Legislative Session:

To view the full text of the bills, go to the Legislative website: <http://www.capitol.hawaii.gov/>

End of Session Highlights:

State Budget

**HB 500, CD1:** Appropriates nearly \$12.9 billion in State spending for the fiscal year that begins July 1, and budgets nearly \$13.3 billion for the following year.

Turtle Bay

**SB 284, CD1:** 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 O'ahu, which includes the purchase in fee of 65 acres around Kawela Bay.

Tobacco Sales

**SB 1030, CD1:** Increases the minimum age required to purchase any tobacco product or electronic smoking device to 21 from 18. Defines "tobacco products" to include electronic smoking devices.

Community-Based Renewable Energy Projects

**SB 1050, CD1:** 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.

Senate Majority Agenda

Hawai'i Resiliency and Sustainability

**SB 892, CD1:** Appropriates funding for Hawai'i resilience and sustainability strategy in the areas of broadband, energy efficiency and smart grid, and water and sewer infrastructure.

Kupuna Care

**SB 964, CD1:** Provides an additional \$3 million to fund the Kupuna Care program in fiscal year 2016, which is in addition to the base budget of \$4.8 million.

Other Notable Bills:

CONSUMER PROTECTION

Lava Insurance

**SB 589, CD1:** Establishes provisions that property insurers may refuse to renew homeowner policies in a lava zone limited to 5 percent each year of the total amount covered policies of the insured in force in that lava zone after an emergency has been declared in an area because of a lava flow. Establishes provisions for the removal of a moratorium on issuing new policies if residential property insurance is unavailable during a state of emergency due to lava flow and may provide a waiting period of no longer than 6 months for policy coverage to take effect.

Food/Excise Tax Credit

**SB 555, CD1:** Increases the food/excise tax credit. Repeals credit for individual taxpayers with adjusted gross incomes of \$30,000 or above and for heads of households, married couples filing jointly, and married couple filing separately, with adjusted gross incomes of \$50,000 or above. Repeals residency requirement.

Rail Tax

**HB 134, CD1:** 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.

*continued on pg. 2*

# LEGISLATIVE SESSION IN REVIEW CONTINUED

## Metropolitan Planning Organizations

**SB 1180, CD1:** Creates a new law pertaining to metropolitan planning organizations, bringing the State into compliance with Federal regulations. Without this law, Hawai'i is in jeopardy of losing up to \$12 million a year in Federal Highway Funds.

## Public Records

**HB 287, CD1:** Amends the State public-records law to withhold from public scrutiny records whose disclosure could result in a substantial and demonstrable risk of physical harm to an individual.

## Consumer Protection

**SB 464, CD1:** Requires persons charging a consumer's credit or debit card or account for an automatic renewal or continuous service offer to first obtain the consumer's affirmative consent. Requires disclosure in a form that may be retained by a consumer of terms, conditions, and cancellation procedures for automatic renewal and continuous service offer contracts. Requires free trial offers to disclose the means for cancelling a contract prior to the expiration of the free trial period.

## HOMELESS

### Homeless ID Cards

**SB273, CD1:** Allows homeless people to apply for State identification cards using a signed statement from a social service organization, attorney, member of the clergy, correctional institution staff or health professional as evidence of the person's address and waives all fees for original or renewal identification cards for homeless individuals.

## PUBLIC SAFETY

### Sex Trafficking

**SB 265, CD1:** Establishes the offense of sex trafficking by replacing the term "promoting prostitution in the first degree" with the term "sex trafficking," a class A felony. Includes the offense of sex trafficking in various laws intended to protect or provide remedies to victims of sex trafficking, or prosecute or sentence individuals convicted of sex trafficking.

### Gambling Lawsuits

**SB 148, HD1:** Adds gambling to the illegal activities covered by "nuisance abatement" laws, which allows citizen lawsuits to be filed against property owners who repeatedly allow illegal gambling activities to take place on their properties. Exempts social gambling.

## Powdered Alcohol

**SB 550, HD2:** Bans the possession or sale of powdered alcohol products, making the consumption, possession or sale of powdered alcohol products a misdemeanor offense punishable by up to six months in jail. Allows possession of powdered alcohol products for research purposes.

## Domestic Violence

**SB 388, HD1 (Act 30):** Requires each County police department to post its policies relating to domestic violence, officer-involved domestic violence and standards of conduct on its official website.

## Major Disaster Fund

**SB 1211, CD1:** 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 funds for deposit into the Major Disaster Fund.

## HEALTH

### Medical Marijuana

**HB 321, CD1:** Establishes a regulated system of medical marijuana dispensaries for certified medical marijuana patients, with applications by potential dispensary operators accepted by the state starting in January. The bill allows dispensaries to begin operation as early as July 2016.

### Marijuana Discrimination

**SB 1291, CD1:** Prohibits discrimination against medical marijuana patients and caregivers by schools, planned community associations, condominium property regimes, and condominiums. Prohibits courts from denying a parent custody or visitation rights with children because of medical marijuana use.

### Privatization of Maui Hospitals

**HB 1075, CD1:** Allows the State to enter into negotiations to change one or more State-owned medical facilities to a new private nonprofit corporation. The bill specifies Maui Memorial Medical Center, Kula Hospital & Clinic and Lana'i Community Hospital as candidates for the nonprofit.

### Autism Coverage

**SB 791, CD1:** 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.

## Hospital Worker Raises

**SB 1117, CD1 (Act 51):** Makes an emergency appropriation of \$15 million to the Hawai'i Health Systems Corp. to pay for unionized hospital workers to keep the State's network of hospitals operating.

## UNIVERSITY OF HAWAII

### Affirmative Consent

**SB 387, CD1:** Establishes an affirmative consent task force to review and make recommendations on the University of Hawai'i's executive policy on domestic violence, dating violence, sexual assault, and stalking.

### Graduation Pathway System

**HB 547, CD1:** Requires the University of Hawai'i to provide guidance to students to increase the rate of on-time graduation through a Graduation Pathway System. Appropriates funds for the Graduation Pathway System and to the John A. Burns School of Medicine for repairs.

### Tuition and Fees

**HB 541, CD1:** Requires each UH campus to prepare an operations plan, to be reviewed by the President and VP for Budget and Finance and Chief Finance Officer of UH, for each fiscal year. Requires the moneys in the UH Tuition and Fees Special Fund for each UH campus to lapse to the credit of the University of Hawaii, system wide support.

## EDUCATION

### Preschool Open Doors Program

**SB 64, CD1:** Appropriates \$6 million to continue funding additional positions for the Preschool Open Doors Program and for subsidies of the program.

### Student Hours

**SB 822 (Act 21):** 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.

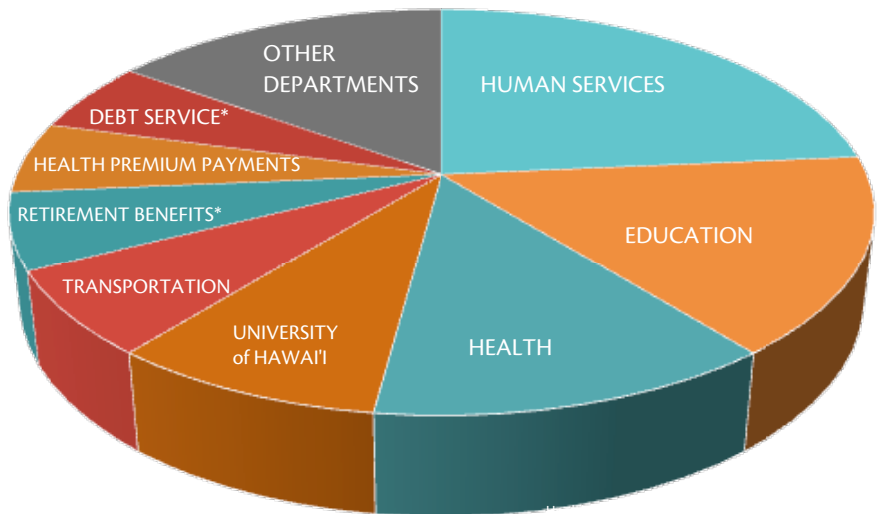
### Multitrack

**SB 1345, CD1:** Requires the Department of Education to develop a transition plan to end multi-track schedules in public schools and report to the Legislature regarding the plan and any proposed legislation. Requires the DOE to give priority to overpopulated schools in making its annual

*continued on pg. 3*

## LEGISLATIVE SESSION IN REVIEW CONTINUED

Human Services	\$3,032,298,609
Education	\$2,021,886,155
Health	\$1,651,444,924
University of Hawaii	\$1,116,968,803
Transportation	\$866,699,537
Retirement Benefits*	\$783,271,173
Health Premium Payments*	\$730,741,306
Debt Service*	\$729,933,473
Other Departments	\$1,941,174,688



Fiscal Year 2015-2016 (All Means of Financing)

By Departments (Except for Debt Service\*, Health Premium Payments\*, Retirement Benefits\*) \$12,874,418,668 = 100%

\*Debt service, retirement benefits, and health premium payments are budgeted under the Department of Budget and Finance.

capital improvement budget request to the Director of Finance.

### Dual Credit Programs

**SB 374, CD1:** 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 Hawai‘i campuses. Replaces a standardized test with an assessment and repeals tuition and fees requirement.

### AGRICULTURE

#### Livestock Biosecurity

**SB 1060, CD1:** 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.

### ENERGY AND ENVIRONMENT

#### Ethanol Repeal

**SB 717, CD1:** Repeals the requirement that gasoline for motor vehicles be mixed with ethanol, effective December 31.

#### Renewable Energy

**HB 623, CD1:** 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.

#### Barrel Tax

**SB 359, CD1:** Expands the state environmental response, energy, and food security tax – also known as the “barrel tax” - to include fossil fuels and bases the tax on 1 million British thermal units sold by a distributor to a retail dealer or consumer.

#### Beach Protection

**HB 444, CD1:** Authorizes the use of a portion of transient accommodations tax revenues for beach restoration and conservation.

#### Cesspool Credit

**HB 1140, CD1:** 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.

### ECONOMIC DEVELOPMENT

#### Manufacturing

**SB 1001, CD1:** Establishes and appropriates funds for the manufacturing development program, through which the High Technology Development Corporation may distribute grants to Hawai‘i manufacturers for purchasing equipment, training employees, improving existing energy efficiency equipment or planning the implementation of a new manufacturing facility.

### VETERANS

#### Veterans High School Diplomas

**SB 181, CD1:** Allows the Department of Education to continue awarding high school diplomas to qualified veterans who did not receive a

high school diploma as a result of compulsory induction into active service in the U.S. Armed Services or any person whose high school education was interrupted due to wartime practices such as internment during World War II.

### Fiscal Biennium 2015-2017 State Executive Budget:

On time and on target. State lawmakers this session passed a fiscally prudent biennial budget ahead of the legislative decking deadline. The budget reflects the depth and magnitude of the State’s financial obligations while balancing the need to fund public priorities and not overtaxing Hawai‘i’s residents and businesses.

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, 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 Senate priorities, providing for the constitutionally mandated budget reserve deposit and addressing the State’s unfunded liabilities.

Three days before the May 1 deadline, 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

*continued on pg. 4*

## J. KALANI ENGLISH Senate Majority Leader

### COMMITTEES

Vice Chair, Senate  
Committee on Tourism &  
International Affairs

Vice Chair, Senate Committee  
on Hawaiian Affairs

Member, Senate Committee  
on Transportation & Energy

Member, Senate  
Committee on Ways & Means



Hawai'i State Legislature  
Bill Status and Documents  
[www.capitol.hawaii.gov/](http://www.capitol.hawaii.gov/)

### HOW TO REACH US

Hawai'i State Capitol, Room 205  
415 South Beretania Street  
Honolulu, HI 96813  
ph 808-587-7225  
fax 808-587-7230

From Maui, toll free 984-2400 + 77225  
From Moloka'i and Lāna'i,  
toll free 1-800-468-4644 + 77225  
e-mail: [senenglish@capitol.hawaii.gov](mailto:senenglish@capitol.hawaii.gov)

To receive this newsletter by  
e-mail, please send your request to:  
[english4@capitol.hawaii.gov](mailto:english4@capitol.hawaii.gov)

Join us on Facebook  
[facebook.com/HawaiiSenateMajority](https://facebook.com/HawaiiSenateMajority)

Vol.15 Issue 10 pg.4 • June 15, 2015

## LEGISLATIVE SESSION IN REVIEW CONTINUED

general funds for FY2016 –2017. **HB500, CD1** is now before the Governor for his signature.

HB 500 was able to provide \$1.5 million FY2016 in operating funds for the Housing First Program, \$21 million in operating funds for the Hawaii Health System Corporation, and \$1.5 million in operating funds, in each year, for Albizia eradication and control along public State highways.

In an effort to streamline both operational and fiscal efficiencies across departments, the State budget bill also includes a transfer of authority over the funding of information technology and business modernization systems to the Office of the Governor. This will establish more oversight and management controls over the numerous funding requests for IT-related projects and increase transparency.

The biennium budget for capital improvements totaled \$2.39 billion, counting projects funded by general obligation bonds and all other means of financing.

A few of the capital improvement projects financed under HB500 include a total of \$165.8 million FY2016 and \$70 million FY17 in lump sum funds to the Department of Education for building conditioning, equity, and program support, \$4.15 million, in each year, in lump sum funds for public housing improvements and renovations, and a total of \$30 million, in each year, for the Department of Transportation to perform major pavement improvements statewide.

Additionally, the Legislature provided more than \$27 million in grant-in-aid for nonprofit organizations Statewide.

## OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY STRATEGY

One of the most significant Bills Sen. English introduced in 2015 is **SB892 SD2 HD3 CD1**, which is currently pending the Governor's signature. The Bill relates to Hawai'i's resilience and sustainability strategy and makes appropriations in broadband, first responders technology campus and cyber security command center, water and sewer infrastructure, energy efficiency and smart grids.

The intent of the Bill focuses on an updated strategy to achieve a sustainable and resilient Hawai'i in the long term. \$25,000,000 in reimbursable general obligation bonds was appropriated for fiscal year (FY) 2015-16 for implementation by the department of business, economic development, and tourism. In 2008, the Hawai'i 2050 Sustainability Task Force comprised of State and County government officials, with representatives from the University of Hawai'i and private industry unveiled the Hawai'i 2050 Sustainability Plan, which was the first long-range plan in 30 years and the most comprehensive statewide planning process that provided integrated, far-reaching policies for the economic, social and environmental future for the entire State of Hawai'i.

"The Sustainability Task Force learned that the overwhelming majority of people in Hawai'i want a balanced approach to Hawai'i's economic, social and environmental future," said Sen. English. "I introduced the Omnibus Bill to advance this approach as well as to further some of the collective sustainability goals that were outlined in 2008."

Sen English's Omnibus Bill makes appropriations for the following objectives: \$500,000 for

FY 2015-16 for the Hawai'i broadband initiative, which explores how a public-private partnership can deliver overall projects through research and development. Access to broadband is critical today for economic development, public safety, health care delivery, smart grid technology, educational resources and communication.

\$250,000 was appropriated for FY 2015-16 for the State's resilience and sustainability initiative management team to continue its collaborative research efforts to improve energy efficiency and grid operations beginning with the electric grid on O'ahu and ultimately proceeding to all islands.

Another \$250,000 was appropriated for FY 2015-16 for plans by the resilience and sustainability initiative management team to expedite county water improvement projects to target the water and sewer distribution systems on each island. The US Environmental Protection Agency has identified Hawai'i as the focus for improving how funding is used to support water systems and infrastructure. There is about \$100,000,000 in unused funds from the US EPA's drinking water state revolving fund for Hawai'i.

"Although, more can be done to ensure a sustainable future for Hawai'i," said Sen. English. "The investment the Legislature made this past session through its appropriations in the Omnibus Bill is a first step in achieving sustainability that respects the culture, character, beauty and history of our State; balances economic, social, community and environmental priorities; and meets current needs without compromising the needs of future generations."