

# ***Embargo Until 10 am, Wednesday, January 18, 2012*** ***State Senator Sam Slom (R-8 O'ahu) Minority Leader***

## ***“Delivering a ‘Better Day’ for Hawaii”*** ***Opening Day Remarks by the Senate Minority***

Senate President **Tsutsui**, Governor **Abercrombie**, distinguished guests and overburdened taxpayers of Hawaii, on behalf of the entire Senate Minority, ***Aloha!***

Hawaii still enjoys two competitive political philosophies within our government, not dependent on the number of senators. The majority philosophy stresses more government, taxation and control of individuals. Our philosophy rewards individual risk and accomplishment, encourages lower taxes on families and small businesses, promotes transparency in government, and advocates additional economic options for all of our residents and a strong belief in our people and the future of Hawaii.

Here's what we're going to do: we're going to oppose bad programs. We are going to oppose bad bills. We will bring attention to irresponsible spending. And we will do our best to offer fresh ideas and new solutions.

Let me say right upfront we acknowledge the majority's unilateral decision to once again suspend, as was done in 2010, our tradition of making Hawaii's opening day colorful, special and unique, in order to appear more serious and business like. But we respectfully disagree. This lack of Aloha diminishes the citizens' role and ownership of our government. It is their chance to be here and we have marginalized that.

Expenses must be cut back in the legislature – just as individuals, families, and small business have been doing for years – but not just for opening day.

I sincerely believe our nation and our state have reached a political, economic and cultural tipping point. Never before in history have our decisions been as critical as they are now.

We have the awesome responsibility to help determine whether our nation and state will advance and prosper, or whether we allow or facilitate further interference with individual choice and rights, slipping back into a lesser standard of living.

In neighboring states and a growing number of countries, bad government decisions – overspending, burdensome taxation and debt – are bringing misery and economic despair to countless millions. We have been taught to think globally but accept that all politics is local.

While there are many actions outside of our control, still, there are changes we can make to control and improve Hawaii's destiny. We in this body, have an opportunity to think and act outside the constraints of past failed government policy.

We must require our government school bureaucracy to be accountable for the tremendous amount of resources they consume annually. We still wrestle with a balanced budget and will vote on supplemental expenditures this year.

Our recent bond issue resulted in savings and that is positive but borrowing is still added debt and a further burden on our families and children.

Last month, the state administration was cheering over a budget surplus that enabled it to spend more money. Look at the factors that caused this “surplus.” It came from Hawaii's hard working families and businesses who had to shoulder an estimated \$600 million in additional taxes over these two years, due to the tax increases passed last year by this legislature.

More than \$400 million came from increased General Excise Taxes on contractors, businesses that sublease, airlines and others – most of which that was passed on to Hawaii's consumers and businesses as increased costs. Now we are facing a new deficit in fiscal year 2014 and beyond.

The impact of the tax increases on the state budget was acknowledged by the Hawaii Council On Revenues at its meeting on September 6, 2011. The Council increased its forecast for state general fund tax revenue growth for the current fiscal year from 11.0 percent to 14.5 percent, noting “*the increases in the forecasts for tax revenue growth in fiscal year 2012 and 2013 were mostly due to new tax laws that have gone into effect this fiscal year. Without the expected revenue increase of the new tax laws, the forecast for fiscal year 2012 would have been lowered to 9.5 percent due to uncertainties about the economy and about the number of visitors.*” (Emphasis added).

A few weeks ago, the Council reduced its revenue forecast to 11.5 percent; most rational private sector businesses and economists believe that estimate is still far too optimistic.

In this weak national and state economy, working families and small businesses are struggling to make ends meet or to make payroll.

Homelessness grows at an alarming rate because government creates more poverty through increased taxes, fees and regulations.

If the goal today was to show the public we understand their pain and tough financial straits, we should pledge that we will reduce taxes. We invite job-creating employers to this big square building to testify to what they believe should be done, then we ignore them.

We are all aware of our state's severe economic challenges, many of which have been created by this very legislature. Some are still in economic denial of our actions and consequences.

Without systemic changes, we cannot improve Hawaii's economy. Without holding ourselves to the same laws we pass, we cannot make what we do behind closed doors in this building more transparent.

The era of government free spending of other people's income is over.

This is not just about money. It is about leadership and discipline. It is about setting the bar higher for our citizens to follow. It is about the future we will leave for our children.

No matter how much taxpayer money we spend, government has allowed our basic infrastructure to deteriorate, including our roads, airports, harbors, parks, sewers, and water systems.

This legislature should do everything in its power to stop the \$6 billion plus heavy, steel on steel elevated rail, which we made possible years ago and which diverts taxpayer money from sensible and desperately needed, infrastructure repair.

Hawaii recently suffered the loss of two major medical facilities on O'ahu. Part of this was financial but part was the role of legislative actions.

A few weeks ago, our largest petroleum refiner announced it would shut down and sell its refining capacity, distribution and retail outlets. It is hoped that a new buyer will be found without major labor lost. But is this unexpected? For more than a decade, this state has made big oil, a public enemy. We added taxes, more regulations, investigations and bans on new facilities. In our love affair with "clean" energy alternatives, we have not told our citizens the truth about the real cost of transitioning to wind, solar, OTEC, Geothermal and biomass. We led the community to believe these sources are "free." We need a new, deregulated, voluntary energy policy.

Your minority offers real alternatives to the serious problems Hawaii faces:

- We should immediately reduce the continuing job destroying unemployment compensation tax increase set for March, pass overdue tort reform, reduce state spending, eliminate waste and debt, and implement solutions to our massive unfunded liabilities, such as the State Employees Retirement System (ERS) and State Employer Union (Health) Trust Fund (EUTF).
- We again will prepare an alternative, supplemental, operating balanced budget showing where cuts should be made while keeping our pledge for "NO NEW TAXES";
- Technology is only a tool, but we have adopted it as our new Deity. We have data overload and need to support the new chief information officer's goal to modernize and efficiently manage all government data systems;
- For too long our community has overlooked labor and human trafficking slavery because of several politically placed individuals and organizations here. This is the year we must end these practices and stop looking the other way;
- Government schools must be fully vetted and incentives provided for students and meritorious teachers. Throwing more dollars at government schools while allowing reductions in classroom teaching is neither good business, nor good education.
- We must support measures to restore political power to our citizens including initiative, referendum, recall and legislative term limits.

Hawaii needs an economic jumpstart, not from more government stimulus debt, but from the ideas and experience of those who actually create private jobs.

We celebrate and honor our men and women in uniform and are grateful for the military's many contributions –not just financial - to Hawaii. Yet, through reapportionment, we seek to ignore and disenfranchise them, unlike all other states. This must change as we here define "permanent resident."

Our professed belief in sustainability should not be solely related to energy.

There is wide spread public discontent with our state legislature. Many believe we spend too much time increasing our own salaries and benefits, exempting ourselves from laws we pass for others, and covering up questionable ethics. We must have the political will to change this.

These are not partisan issues, rather, real problems we can face and solve together.

We can be compassionate, but not at the expense of complacency of our fiscal responsibilities.

We approach this session for the opportunities that these tough times present. We restate our belief in Hawaii's people.

We celebrate our individual God-given liberty and our ability to change for the better. We hope that prayer will return to the Senate this year. If there is ever a time that God's spiritual support and guidance is needed, it is during our legislative decision making.

Every day is a "new" day; **it is time we make it a BETTER DAY for all of Hawaii's people.**

MAHALO, GOD BLESS HAWAII AND THE UNITED STATES OF AMERICA.

ALOHA.