EMBARGOED TO 10:00 A.M., JANUARY 18, 2012

Speaker of the House Calvin K.Y. Say
OPENING DAY REMARKS
January 18, 2012

Welcome members to the 2012 Regular Session of the Twenty-Sixth Legislature.

And a special welcome to our recently appointed member -Representative Tom Okamura of District 33, Aiea, Halawa, and Red
Hill.

I am glad -- and relieved -- to say that we will probably <u>not</u> have to make another extraordinary effort to balance the state budget during this session.

This situation will be a welcome departure from the past three sessions. Because of the Great Recession, we had to balance the state budget by a combination of painfully difficult expenditure reductions and targeted revenue enhancements. We maintained essential public services without increasing the general excise tax rate or the income tax on low- and moderate-income persons.

We rejected extremism and expediency in favor of reason and fortitude.

We took a balanced and responsible approach.

Hawaii is much better for our efforts. I commend you all.

The economic recovery, although still fragile, is on its way.

We, however, must remain cautious. The fragility of the economic recovery requires the continuation of our balanced and responsible approach during the 2012 regular session. For the short-term, we must maintain stability with respect to the state budget.

"Maintaining stability" means no $\underline{\text{new}}$ taxes for state government from residents and businesses.

"Maintaining stability" means no major general fund appropriation increase for the expansion of state programs.

For this session, we must focus our efforts on maintaining the economic recovery and promoting <u>immediate</u> job growth. We must be creative and innovative. We must make difficult choices, some of which may be opposed by segments of the community.

We must seek ways to expedite the construction of state projects, so that money flows into the community.

We also must seek ways to avoid mandates on businesses that increase their costs.

I am confident that we will make these choices using the same balanced and responsible approach of the past three sessions.

Our recovery effort depends on a strong, solid foundation.

Maintaining a foundation today will enable us to pursue our dreams in the future.

Dreams such as:

- --- a Hawaii powered exclusively by alternative energy resources, requiring no export of dollars.
- --- a Hawaii with broadband coverage for all schools, businesses, and homes.
- --- a Hawaii in which health care is universally and affordably available.
- --- a Hawaii in which everyone lives in an affordable home, paying no more than one-third of their income for the rent or mortgage.

And dreams of a Hawaii with a thriving and diversified economy.

This means a Hawaii with a military presence that is fully appreciated for its importance to our nation's and Pacific allies' defense and our State's economy and social mix;

- --- a Hawaii with a visitor industry that continues to be the envy of the world;
- --- a Hawaii in which agriculture is a viable and sustaining enterprise that feeds our people, supports alternative energy, and exports products;
- --- and a Hawaii with a public education system that produces business, professional, and governmental leaders able to effectively guide our State in the future, and even lead the world in selected areas of expertise.

More mundane, but still very important, is my dream of public employees' retirement and health fund systems with <u>no</u> unfunded liability, so that our children and grandchildren do not have to carry the burden of increasing governmental fringe benefit contributions.

I have many such dreams, as do all of you. Fulfilling the dreams, however, would require the expenditure of substantial taxpayers' moneys -- moneys that we do not have now.

Despite this intrusion of reality, let us <u>not</u> abandon our dreams. Let us continue the groundwork for the achievement of the dreams. Later, when the economy and public resources return to robust growth, we will then have the opportunity for full implementation.

Let us be confident that our unselfish work of today will lead tomorrow to the Hawaii that we all dream about.

Thank you.