

**Donna Mercado Kim
Senate President**

**Opening Day Remarks
January 16, 2013**

Governor Abercrombie, Lieutenant Governor Tsutsui, Senator and Mrs. Schatz, Chief Justice Recktenwald, former Governors Ariyoshi, Waihee, and Lingle, esteemed colleagues, distinguished guests, ladies and gentlemen.

Aloha.

It is my distinct honor and pleasure to welcome you to the Senate's opening of the 27th Legislature.

It's heartwarming to see so many familiar faces, but this year begins with several newcomers to the Senate: representing Kahului and Wailuku is Gil Keith-Agaran ... from Ka'u and Puna comes Russell Ruderman ... and from Windward Oahu and East Honolulu is Laura Thielen. Please join me in welcoming them to these chambers.

I want to acknowledge the lone voice of the minority, Senator Sam Slom. While he's but one strong, he's been a devoted voice for his party, and he's "still here."

I'll confess that it's a very humbling experience to stand before you this morning. I grew up a stone's throw from this building, in Kalihi-Palama, as one of five kids in a poor, working-class family. Like many of you, both my parents worked and struggled to keep food on the table and a roof over our heads. My Dad is here in spirit, but I'd like to have my Mom take a bow.

Given those modest beginnings, never could I have imagined that I would someday be standing before you as Senate President. I thank you, colleagues, for this tremendous privilege.

The Hawaii of our childhood was a lot different than it is today: We had a smaller population, an economy still largely dependent on agriculture, no freeways, no traffic congestion, fewer of the social ills that we now see, and a smaller, and no doubt simpler, government.

We were blessed with a strong spirit of community. We took care of each other. As kids, we played with marbles, tops, and beanbags in the streets with friends from the neighborhood. We walked to school together, and we were unburdened by the concerns that kids worry about these days. Places like Palama Settlement and my alma mater, Farrington High School, shaped our lives and prepared us to be responsible adults and leaders.

Then there was that special teacher, aunt, or uncle who mentored and influenced our lives. For me, it was Kumu Hula Aunty Maiki Aiu, who instilled in me the traditional Hawaiian core values of aloha, lokahi (harmony), kuleana (responsibility) and ha‘a ha‘a (humility). Through hula she taught me discipline, respect, hard work, and grace. These values are the foundation of our kupuna that has been handed down from generation to generation. Mahalo, Senator Solomon and the Beamer-Solomon halau, for doing your part.

While we may not have realized it at the time, the incredible changes that came with the Democratic revolution of 1954, statehood a few years later, and the socio-economic evolution that followed statehood, were the catalysts that set the groundwork for what we have continued to build upon to this day. But like any structure, no matter how good the foundation, it still requires upkeep and constant care. Years of budget cuts as the result of the economic downturn may have weakened our foundation, so reassessments should be a priority.

Beyond our personal hopes and wishes, I speak of what the Legislature has done to further the progress of our people: in our public education system ... in the growth of charter schools ... in the University of Hawaii ... in Consumer Protection Chair Roz Baker’s work for health insurance coverage for individuals and families ... in laws that give protections to workers, guided by Judiciary and Labor Chair Clayton Hee ... in services that help our children and kupuna and those unable to help themselves, under the watch of Human Services Chair Suzanne Chun Oakland. These, and so many other programs and services that enrich our lives and contribute to our quality of life, we can, and must, continue.

After several years of belt-tightening, we’re greeting this session with a rosier economic outlook. The Council on Revenues has projected that tax revenues will increase by five percent this year, indications that the economy continues to improve. Our visitor industry remains strong, and other industries, like construction, are poised to make a comeback.

Tourism deserves a special mention. Last year, tourism brought \$2 billion more to the economy over the year before. More than 166,000 jobs are supported by tourism, and its indirect impact is just as far-reaching. Our island visitor bureaus, our worldwide marketing partners, and the Hawaii Tourism Authority, under the leadership of Mike McCartney and board chair Ron Williams, deserve our applause for these accomplishments.

The Asia Pacific Economic Cooperation summit demonstrated that Hawaii has a global presence. Our host culture can teach, touch, bridge, and inspire those who embrace Hawaii and our people. Hawaiian music and dance transcend differences in race, nationality, or language. It was Aunty Maiki Aiu’s stories, and her passion to preserve and perpetuate this aspect of Hawaiian culture that inspired me, and that’s why I have long advocated the establishment of a museum or center of Hawaiian music and dance. I am proposing that we consider building it atop the Hawaii Convention Center. What better place to share the heart and soul of our host culture with residents and visitors alike. Tourism and Hawaiian Affairs Chair Brickwood Galuteria and I challenge the Hawaii Tourism Authority and the Office of Hawaiian Affairs to work together to make this center a reality.

But with the strong visitor numbers and prospect of more revenues, and what I'd term "pent-up demand" to restore the budget cuts we've had to make, it might be tempting and politically popular for us to return to the spending patterns of more prosperous times. We should, however, proceed with caution. After all, the salary cuts for state employees will expire this year. The administration is negotiating new labor agreements with the public employee unions, and this will be a huge cost item in the budget.

Nationally, the Presidential campaign and Congressional wrangling over the federal budget reflect great divisions in our nation. Here at home, we face monumental changes in politics. The passing of Senator Dan Inouye, who we are still mourning, and the retirement of beloved Senator Daniel Akaka have triggered a ripple effect that has impacted our state.

There are lingering fiscal concerns and potential new ones, among them are possible cutbacks in federal funding, and many are looking to the state to make up the difference. Add to this the backlog of repair and maintenance needs for schools, parks, public housing, state buildings, and our infrastructure. Initiatives to establish a state-run early education program, a new prison, and more affordable housing; tax credits; as well as proposals for more grants-in-aid and other public support, are among the issues lawmakers will be deliberating.

Despite all of these demands, and the anticipation of better economic times, I hope, first and foremost, that there will be *no* new tax burdens thrust upon our citizens ... that we will not automatically open the taxpayers' pocketbooks to every budget request, every new proposal, every capital improvement project.

I am not saying that we should not consider new initiatives. After all, the Legislature is a forum for new ideas, new ways of doing things to better our quality of life. But as we weigh their merits, let's also look at the merits of what we already have. Reevaluating and reassessing what we have in place may not sound sexy or innovative, but we must discipline ourselves to do this if we are to be more efficient and effective than we have been.

While we consider early childhood education proposals, it's imperative that we resolve our problems with the teachers' contract, school bus services, and the many challenges facing the Department of Education and our charter schools. To help resolve these and other cost items, I call upon the administration to work with us to aggressively eliminate salary overpayments to state workers and abuses in overtime and sick leave. We are talking about millions of dollars.

Let's use these savings and the additional revenues forecast by the Council on Revenues to accelerate fixing our schools, fund kupuna care, reduce the unfunded liability of the state pension system, and repair our roads and aging infrastructure. The collapse of Farrington High School's auditorium roof was a loud warning; we need to quickly assess the structural soundness of our aging facilities. Fortunately no one was injured, but we may not be so lucky the next time.

Likewise, we mustn't create or reinstitute public programs without a thorough examination of their long-term impact. If we authorize new positions, what are the long-term financial obligations with regard to rising labor, pension, and health care costs? For every new building, how much will it cost to operate, maintain, and eventually repair or replace? Those costs should be factored into our five-year balanced budget requirement, and we'll look to Ways and Means Chair David Ige and Vice Chair Michelle Kidani to help us accomplish this.

The author Richard Schickel wrote, "The law of unintended consequences pushes us ceaselessly through the years, permitting no pause for perspective." With that thought in mind, we should pause to review the laws we have on the books. Are they working? Are they serving their intended purpose or are they barriers?

The Legislative Auditor—[Aside: I'd be remiss in not acknowledging the outstanding work of Marion Higa. We will miss you and we wish you well in your retirement]—is only able to evaluate a fraction of our innumerable public programs. The "Report on the Implementation of State Auditor's 2008 Recommendations" was released last February, revealing that less than one-third of the 2008 recommendations have been implemented. We could definitely do better in acting on the Auditor's recommendations. It seems that closer scrutiny of statutorily mandated projects or offices is done only when a problem is reported by the news media or brought to our attention by constituents.

Some examples include the HI-5 recycling program, charter schools, the Public Land Development Corporation, airport procurement contracts, and a host of other statutes and requirements that affect us all. We need to either fix or repeal laws that are not working as they were intended, or which have created burdens that were unforeseen at the time of their establishment. To achieve this, I urge the Senate to use the post-session interim to initiate these evaluations, since there is never enough time in our hectic 60-day legislative session.

Higher Education Chair Brian Taniguchi has the task of following up on the issues raised during the Special Committee on Accountability's hearings on the University of Hawaii. What resonated from those hearings is that those appointed as stewards of the public's trust are responsible for the performance of the organizations they oversee and, therefore, must be held accountable. Yes, we are indebted to these volunteer public servants for their willingness to serve without compensation. But we also need them to be the public's watchdogs. Beyond their appearance at their Senate confirmation hearings, they should be called back to periodically report to this body on what they see as the problems, as well as the opportunities, facing the organizations they help govern.

In order to assure food security, farmers need our assistance and commitment to preserve prime agricultural lands. These are long-standing goals that have been slow to accomplish. In a recent visit to Israel, I was surprised to learn that Israel produces 95 percent of its food, despite the fact that more than half of its land is desert and the climate and lack of water resources do not favor farming. Plus, their farmers are not subsidized. If Israel can successfully farm on desert land, then imagine what is possible on our lands. Let's be serious about preserving prime farmlands by purchasing them, as we did with the Galbraith Estate. I

ask Agricultural Committee Chair Clarence Nishihara to help pursue this. I also strongly urge the counties to expedite the completion of their identification and mapping of important agricultural lands.

My experience on the Honolulu City Council and the Hawaii State Association of Counties made me an advocate for county home rule. There's no doubt we can do more to streamline the duplication and overlapping of state/county jurisdictions that are confusing to those we serve. Let's not forget that we represent the same constituency, and they don't care whose jurisdiction it is, they just want it done! And, if done correctly, we could realize additional savings and be more efficient. With former Council members Governor Abercrombie, Senators Donovan Dela Cruz, Kalani English, and Vice President Ron Kouchi, I am hopeful that we can all work together with the counties to resolve these issues.

Respecting home rule also has the added benefit of making government less Oahu-centric. Our new Lieutenant Governor and Maui resident Shan Tsutsui made that point in accepting his appointment, and I believe it's an important cause worth pursuing.

A step in that direction is the Senate's launch of a pilot video conferencing project this session. I am happy to announce that the Education Committee and the Technology and Arts Committee will be utilizing video conferencing in their hearings, to enable and encourage the participation of neighbor island residents. Our thanks to Chairs Jill Tokuda and Glenn Wakai for leading the Senate in this endeavor.

Colleagues, I'm excited about working with all of you, the members of the House of Representatives, Governor Abercrombie and his administration, and our community in the weeks ahead. Much of what I outlined today did not occur overnight and will take more than one legislative session to accomplish. We just have to stay the course.

In closing, I am reminded of this quote, "When we least expect it, life sends us a challenge to test our courage and willingness to change." What better opportunity than now to heed these words.

Colleagues, we come from different places, different backgrounds. You have your own reasons and your own stories for being here. And while we may have differing opinions on the issues of the day, we must be united in our commitment to this institution, to collaboration, to being accountable to the constituents we serve, to building a better Hawaii, and to "live aloha." This is our challenge.

God Bless you all! Mahalo.