

It is time for state government to stop the economic insanity

THE CHAMBER VIEW

by Pamela Tumpap



Over the past couple of years, we have experienced an unprecedented recession and global economic shifts that mandate new thinking and major modifications in how business is done at all levels — whether running a household, a business, a non-profit organization, a labor organization or government.

While some are doing well, and we still have successes to celebrate, many residents and businesses are truly hurting. And when we residents and businesses have less money, we are forced to make cuts, often very deep ones. Unlike government, there are no deep pots of money to dip into, and we cannot arbitrarily increase our fees by 25 percent — such as the proposed 1 percent general excise tax (GET) hike on a 4 percent tax.

We rely on our elected officials to help solve the monumental challenges we face and are yet

to experience. We need them to stop the insanity and do the tough work: reinventing government.

Albert Einstein is quoted as saying, “The definition of insanity is doing the same thing over and over again, and expecting different results.” Yet, that is what our state continues to do. Once again, as state revenues have plummeted, many legislators are calling for a GET increase, increasing business fees, raiding special funds (without putting all special funds up for reconsideration and prioritization). They are recycling old solutions as if this old thinking will solve our current challenges.

Given all the economic turmoil (including a reported two-year revenue shortfall of \$1.2 billion), one would have thought this legislative session would be different and would see strong and sustained support of businesses and government resizing down. But these actions do not look likely.

While there will be major budget cuts, the structure remains largely the same, and it seems legislators will seek to close the huge and growing budget deficit with higher costs for residents, businesses, and our guests (tourists), in-

stead of downsizing and living within their means as residents and businesses have had to do.

Even as the Senate prepared a budget that includes a 3 percent pay cut for lawmakers, this is nothing compared to what many businesses have done, with business owners forgoing their pay and/or reducing wages for themselves and their employees by far more than 3 percent to survive. And, this is often in addition to a reduction in benefits.

A major state government expense area that could and should have been overhauled is the Department of Education, which receives the lion's share of our state budget. This system has not been working for a long time. It is too centralized and top-heavy and is not achieving the desired results. We need to decentralize this system to provide more local control and cost savings and to better support our teachers and help students learn more.

It is time for a fresh start, with different solutions and fresh eyes. If our elected officials do not come out in strong support of the business sector and economy this legislative session, and limit the size and cost of government, the public

has an opportunity to send a strong message and hold elected officials accountable this November. However, we encourage the public not to wait until then. Let lawmakers know now that it is time to pare down to what we, the taxpayers, can afford; do not increase the GET; and focus on stimulating the economy to close the gap.

Please remember that the Maui Chamber of Commerce offers many opportunities to stay informed, with two major events this month. The first is our annual economic update and Maui SBA awards, sponsored by American Savings Bank, on Friday. There, participants will receive a state economic update and celebrate the successes of Maui's small businesses and small business supporters who won SBA awards.

The second event is our annual luncheon April 30 with the mayor, sponsored by Alexander & Baldwin, where Mayor Charmaine Tavares will share the county's direction and priorities and answer questions from the audience. Please visit www.mauichamber.com to learn more. We look forward to seeing you at one or both of these events.

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