

My fellow Guamanians,

The budget of the government of Guam is not about funding the government. It is about funding the services your government provides to you. It is about fully and realistically funding the tax refunds owed to you. It would be fine and dandy to look at the yearly budget as a funding solution for a single year if this government didn't have debts. But, since it does have a massive deficit, the budget must be seen as something else. It must be an instrument used to fund services and to pay its bills.

The government deficit is not some meaningless term. Right now, unaudited reports peg the deficit at three-hundred-forty-eight million dollars. Of that amount, two-hundred-eighty million dollars is directly owed to you in tax refunds, EITC, Child Tax Credits and Make Work Pay tax credits... and provides for what is owed to you for tax-year 2010. It cannot be ignored.

The budget we introduced today to the Legislature is not a simple budget. It is a plan to get us out of a problem that has existed for 20 years. Ray and I are proposing a genuine solution to the government's inability to work for you. And since this budget is actually a fiscal plan, it is a biennial budget. It will hold the administration and the Legislature to a fiscal plan for at least two years. We are confident future Legislatures and governors, with your mandate, will stick to fiscal responsibility for the foreseeable future.

First, we are proposing revenue projections that are conservative and do not take into account federally-unfunded military buildup activities. Second, appropriation levels for the agencies remain low. The government will sacrifice. We will not fund services to the full extent of mandates. Priority is given to public schools, colleges, public health, the hospital and the public safety agencies.

Third, we will continue a two-percent reserve and we will mandate and enforce the reservation of tax refund revenues in trust. This brings me to the most important point: paying the government's bills owed to you.

The largest component of the plan is the proposed bond to pay all tax refunds owed by this year. If this budget is passed, we will go to the bond market and sell these bonds by December, putting thousands of dollars in the average taxpayer's hands this year. This will wipe out the largest part of the deficit, and put the government on track to work for you again.

One community leader suggested we should not borrow from the future generations. My fellow Guamanians, for the past 20 years, the government did this already. It's been borrowing from you and from your children for two decades. The difference between the plan I am proposing and the status quo is this:

Number one, if we stick to the status quo, the government will NEVER be able to pay your tax refunds on time, and will ALWAYS be three years behind. Or, we can clean house and use our plan to start paying tax refunds on time.

Number two, our plan will solve the financial crisis, put money back into your hands and end two decades of borrowing against your future. The status quo will keep borrowing this money from generation to the next.

Number three, in this time of great need, our plan will pay an average of thousands of dollars to each taxpayer at one time, erasing most of the government's debt to you and spreading out debt payments over a finite number of years. The status quo will not get this money to you and will indefinitely burden the government Treasury and future generations.

Now, before I became a public servant, I was a business manager. The rule is that you can't spend more than you have. You've got to pay your bills on time. Don't let invoices go beyond 30 days. If things get really bad, you may have to cut services. And if they really get bad, you have to lay people off.

Things are very bad in the government of Guam. There's a three-hundred-forty-eight deficit. Bills aren't being paid on time. Invoices from vendors generally go beyond 90 days. But, here's the difference between GovGuam and a business. If government leaders had no soul, we could lay off thousands of people to make ends meet. But, unlike a business, the services we provide can't be taken up by another entity if we start shutting down those services. We live in a growing community with growing needs and a growing cycle of poverty. We are already short of teachers, police officers, firefighters, medics, Customs & quarantine officers, Corrections officers, youth services workers, social workers, nurses, doctors, technicians, accountants, engineers and planners. These professions make up almost all of the GovGuam workforce. These people serve almost all of the services the people need and demand.

This is not to say that waste doesn't exist. Waste does exist. There are a few bad apples that spoil the bunch. A hallmark of our administration is our commitment to customer service. The great majority of government workers subscribe to excellence in serving you, but unfortunately, there are the few who do not. Today orders have gone out to the Cabinet to instill an environment of excellence in customer service in the agencies, reward the employees who excel, and discipline the few who do not. Effective immediately, new customer service guidelines from Adelup are in effect. These deal with the answering of phones, the provision of services and the handling of complaints. Ten days from now, every agency is to submit to Adelup their agency's guidelines for customer service. Once in effect, I will be holding directors accountable for the enforcement of these guidelines.

Government employees will be rewarded for their efforts. Those who do not serve you well will be disciplined. This, my fellow Guamanians, is how we will streamline government. It will be done fairly and judiciously. It will be done with the end goal, not of laying people off, but of making government more efficient and responsive.

As for the services this government provides... this is where we can turn the cycle of poverty into a cycle of community. We can rid the system of abuse of social services, but we cannot cut social services when so many families and children are suffering. That would be unChamorro. It would be unGuamanian. I agree with reorganizing services and programs to make them more efficient, or to promote self-sustainability. But, I will not subscribe to wholesale and barbaric cuts in services to those who need it most.

We are building efficiencies by aggressively pursuing an IT campaign to put more services online. We are going out into the neighborhoods to identify problems and wrap services around the people. This costs nothing but some good exercise and a lot of love for people in need.

My fellow Guamanians, this is a budget that sees people as people, and not as subjects of a government. You shouldn't have to beg for money that belongs to you. You shouldn't have to feel like you owe a politician a favor just because he helps you get your tax refund out. You shouldn't have to be sick to get your EITC paid to you. This budget spells out the proper use of your money. Yes, what we want to budget is not money that belongs to the government. It is money that belongs to you.

Saina Ma'ase, Si Yu'os en Fan'binendisi, and God bless you all.