



NEWS RELEASE
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THE *REAL* STATE OF THE STATE

Grassroot Institute releases provocative report on Hawaii's state finances

Honolulu—Today the Grassroot Institute of Hawaii released the “The *Real* State of the State: An Uncensored Look at the Fiscal Challenges Facing Hawaii.” Responding to Governor Neil Abercrombie’s recent “State of the State” address which only scratched the surface, this illuminating expose dives deep into the evidence and causes of the state’s financial crisis.

The report, authored by local economist Danny de Gracia, uncovers a consistent pattern through multiple departments in which established laws were repeatedly broken, procedures were ignored and individuals took unilateral action in doing as they saw fit. The report exposes hundreds of facts such as the following:

- The Department of Business, Economic Development and Tourism reimbursed employees for receipts submitted in foreign languages, with no one bothering to translate or check the legitimacy of the claims.
- The State Auditor found that the Department of Education not only broke procurement rules, but did so with impunity, stating "we did not observe any counseling or discipline being issued to violating employees to inform them of their mistakes and to deter repeat behavior ... it is not surprising that they are often bypassed or overlooked."
- A former Department of Taxation deputy director went so far as to describe the atmosphere in his department as "Terrible, terrible, terrible".

“Governor Abercrombie speaks of a New Day in Hawaii, but this New Day can only come about through real accountability to taxpayers,” stated Frances Nuar, policy analyst for the Grassroot Institute. “*The Real State of the State* provides the perfect starting point for any policy maker who’s serious about addressing Hawaii’s financial crisis.”

In addition to “The *Real* State of the State”, legislators and citizens should keep an eye out for the Institute’s third annual *Hawaii Pork Report*, to be released later this spring. Both reports urge the governor and legislators to adopt meaningful reforms, such as fiscal notes, which will result in a more transparent and fiscally responsible approach to Hawaii’s budgeting process.

The report can be downloaded free from the Institute’s website: www.grassrootinstitute.org.

The Grassroot Institute of Hawaii is an independent, non-partisan think tank based in Honolulu. The Institute’s mission is to achieve a freer and more prosperous Hawaii through the principles of free markets, individual liberty and limited, more accountable government. Danny de Gracia, author of the report, is an Economic Policy Advisor on the Institute’s Board of Scholars.

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