



**The Florida Senate
Senator Steven A.
Geller ,
District 31**

Senate Democratic Leader Steven Geller

**TRANSCRIPT OF STATE OF THE STATE RESPONSE BY SENATE
DEMOCRATIC LEADER STEVEN GELLER (D-Cooper City)**

March 4, 2008

“Good evening. My name is Senator Steve Geller and I am the Democratic Leader of the Florida Senate.

“I’m here tonight to give the Senate Democratic response to Governor Crist’s State of the State speech.

“We are very pleased to hear that Governor Crist is continuing the strong bipartisan tone that he set last year. We agree with many of the things that Governor Crist has said. And we also strongly believe that we can best accomplish what we need to for the citizens of the state of Florida by working together in a strong and bipartisan fashion.

“This year, unfortunately, we believe that the budget is going to be the dominant issue in the state of Florida. This one issue will suck all of the oxygen out of the room. Real people are going to suffer real damage as a result of this budget. This will be the first time in Florida’s history that in two consecutive years we will have less actual dollars to spend than we did the year before. Normally we say we have a budget shortfall if we don’t have enough to keep up with inflation and population growth. These two years we actually have less money than the year before. And this year we may have to cut anywhere from two to four billion dollars from the budget. That’s two to four billion dollars less than we had last year. Real people will suffer real damage. Florida’s most vulnerable citizens are at risk here. Our youngest, our oldest, our students, our sickest.

“We are pleased to hear that Governor Crist shares our concerns with protecting Florida’s most vulnerable citizens. We believe that we must look at all of the options in our state budget. Governor Crist has come up with some creative ways of trying to minimize the pain. We don’t know yet if we’re going to be supporting them. But we are pleased that we are going to look at all of the options. And that’s something that we believe, that we as Senate Democrats think that we need to do. We need to explore all options. We believe that we need to have an open mind and explore everything. This means that we’re going to need to look at both sides of the ledger. “Right now, we’re being told we can only look at one side of the ledger; we can only look at spending.

“We’re saying that we need to look at everything. It is very clear to us, unfortunately, deep cuts are inevitable. The question is, whether we can blunt the worst impact of some of those cuts.

“So here’s our proposal as Senate Democrats: Let’s put everything on the table. We’ll look at income. We’ll look at out-go. We’ll try and make things fairer. If we only look at out-go, if we only look at spending cuts, you’re probably not going to get many Senate Democrats to vote for the final budget.

“Under Governor Bush, we cut taxes so that we had just enough to get by during the best economy in modern history. Well, think about it. If you have taxes low enough that you have just enough to get by in the best economy in modern history, what happens when you’re no longer in the best economy in modern history? We think we’re seeing that today. Real people are going to be hurt.

“We continue to hear from the majority party, or certain members of the majority party, how losing billions of dollars of revenue is such a great opportunity for the state. We don’t understand that. A great opportunity for what? To hurt people? We don’t think so.

“Some people have suggested that this lean economic time will make government leaner. Again, we need to ensure whether times are good or times are bad, that we’re always working to eliminate waste in government. We need to ensure that when our citizens, our taxpayers, pay a dollar of taxes, that they receive a dollar of services at all times – whether the economy is good, or whether the economy is bad.

“But rhetoric alone, talking about smaller government, isn’t going to solve our problems. This is a very complex state, and it can’t be governed by bumper-sticker solutions. We always hear people saying: “We want smaller government, we oppose big government.” And some of the questions I’ve never understood. On our state budget, about half of our budget goes directly to education. Are they saying that big government, that we have too many teachers or that we’re paying them too much? We don’t think so.

“Local governments – 50 to 60 percent of city budgets are made up of police and firefighters. Are they saying that we have too many police or too many firefighters? Again, we don’t think so.

“We, the Senate Democrats, think we need to look at everything. Now let me be clear. When it comes to increased revenue, we will oppose any broad tax increases. We would oppose an increase in the sales tax, we would oppose an increase in property taxes. There are many other tax increases that we would oppose.

“But we do believe that it is important to close some of the tax loopholes and make sure that everybody’s paying their fair share. Let me give you three examples:

“There is something called the real estate transfer tax, when people pay taxes to buy and sell property. If you or I sell our homes, we’ll pay this tax. Some very large corporations

have figured out ways to evade this tax. They'll put the real estate that they're selling into a real estate trust, they'll put the real estate trust into a corporation, and then they'll sell the corporation and claim that they never sold the real estate. They're getting the benefits, they're getting our services, but they're avoiding paying the taxes. We could raise a \$100 million a year or more just by closing that loophole.

“Senator Deutch has filed legislation on an issue called combined reporting which lets multi-state or multi-national corporations do business in Florida transfer their tax liabilities so that they don't have to pay taxes here in Florida. That puts our Florida corporations that do have to pay taxes here, at a disadvantage. You could raise \$400 million on that.

“There's a lot of special interest tax breaks, most of which may be justified, but many of which are not. These tax breaks - many of which never passed as separate bills, they were just added on in the middle of the night to other, more important tax breaks - these need to be examined. We could make hundreds of millions of dollars from closing some of these.

“Again, there will still be cuts. But we believe, and we're pleased to hear that the governor agrees, that we can blunt the worst of these.

“We also believe, as Senate Democrats, that the cuts enough are not alone, nor is revenue. We need to invest in the future of Florida. And, again, we're pleased to hear the governor agrees with us on many of these issues.

“We believe that the best investment that you can make in the state of Florida is establishing a good educational system. Our K-12 educational system is a disgrace in terms of funding. Our state university system is also a disgrace in terms of the amount of resources that we're putting in. We are not funding enough slots in our state university system. It's getting too hard for Florida students to get into these schools. And when they do get in, they find the schools are overcrowded.

“We have rightly invested a lot of money in luring high-tech companies to the state. Scripps, Torrey Pines, Burnham, Max Planck, etc., these and other high-tech companies want to do public-private partnerships with our state universities. But they have to have a good state university system to do that with.

“Another area that we believe in investing is in the area of work force housing. We're talking about housing for our teachers, our police, our nurses, etc. The construction industry has been one of the very important parts of the Florida economy. We believe that we can help jumpstart the economy and provide these people a place to live by investing more in affordable housing.

“One other area that we need to have affordable housing in is for our veterans. This is a national disgrace. We send our brave soldiers overseas to fight for us, and when they come back, too many of them end up homeless. This is a disgrace. It appears that we're treating our soldiers with disdain when in fact they deserve our honor for the service that

they've given to our country. And we insist that we do something in this area.

“Let me discuss a final area that we think we should invest. Senator Jeremy Ring has legislation which would take one percent of the state pension system and invest those assets here in Florida. Right now, most of those assets are being invested in publicly traded companies either in other states or in other countries. We're doing a lot to help the economy of California, of Dubai and of China, but we're not investing enough here.

“Senator Ring's bill is modeled on legislation which is currently being used in California and ten other states, and it's been a tremendous success in those other states. It has shown how important it is to invest here at home.

“We're pleased to hear that Governor Crist shares our concerns about protecting Florida's most vulnerable citizens. We're pleased to hear that Governor Crist also believes that he needs to invest, that we need to spend money also on education and the state university system. We also hope that Governor Crist will join us in our innovative plans to jump start the economy and to move our state forward.

“And It is very clear to us that spending cuts alone will not provide the protections that we need here in the state of Florida. It's very clear to us if we're going to move our state forward, we will need not only the spending cuts, but also the investment and the additional revenue that we can get by requiring a fairer tax code.

“Governor, we look forward to working with you, and with the leadership of the House and Senate. And we thank you for the bipartisan tone that you have established, and we look forward again to this year's Session.

“Thank you.”

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