



CAPITOL CONNECTION Special Edition

Engineering Hawai'i's Future

January 2016

Courtesy Tyler Kruse

“Making things right to make things happen.”

A Report to the People of Hawai'i from Governor David Y. Ige

Restoring faith in government. Improving life in Hawai'i. Creating a home for our children and future generations. We know our challenges are complex and don't have easy answers. But in the Ige administration, we believe in Hawai'i's people and the state's potential. We also believe state government needs to change in fundamental ways to make things happen. We've been working this first year to address some long-standing issues and find a way forward together. They include:



Gov. Ige and homelessness coordinator Scott Morishige tour the proposed Kaka'ako shelter with HCDA acting asset manager Lindsey Doi.

A coordinated effort to end homelessness — We know it's not enough to just move people from place to place so I've brought together state, county and federal agencies to take action. New statewide efforts include expanded outreach services, shelter placement, and a homelessness coordinator and his team in the governor's office. We've begun work on a **new transitional shelter** in Kaka'ako and are exploring innovative approaches to provide help for those who are on the verge of being or are homeless.

We're happy to report that more and more people are stepping up to be part of the solution. Our **first-ever Landlord Summit** resulted in at least 80 O'ahu landlords and property managers offering to rent to low-income and homeless people as part of a **Housing First** initiative.

More available housing — Our people — especially our young

people — need housing they can afford. We have new members of the Hawai'i Community Development Authority focused on creating more affordable housing to help alleviate shortages. With available state land near rail transit sites and public-private partnerships, we are building several hundred affordable rental units in high-demand areas of Honolulu.

Mauna Kea and the Thirty-Meter Telescope — The recent Hawai'i Supreme Court decision that invalidated the TMT permit provides direction to a new Land Board and more opportunity to discuss Mauna Kea's future. I've already presented a 10-point plan (<http://1.usa.gov/1cYdDKv>) to take better care of the mountain. But we as a community need to find ways to protect our Native Hawaiian cultural legacy and the state's natural resources while supporting scientific discovery and our economic future.

The Hawaii Health Connector — We remain committed to helping people move from the private Connector site, which has struggled since its launch in 2013, to enrollment in the federal exchange at healthcare.gov. We also want to preserve the Prepaid Health Care Act that has kept our uninsured rate among the lowest in the nation.



Under the Self-Help Housing Program, low-income families can help each other build their own homes, making these fee simple houses very affordable (\$256,000 - \$276,000).

Helping people build better lives

As I begin my second year as governor, I want to share more of the progress we have made statewide. I have filled my cabinet with people who are working with me to provide strong, creative leadership and to do the state's work with integrity, efficiency and inclusiveness. Some of the progress we've made includes:



Courtesy Turtle Bay Resort

The landmark Turtle Bay agreement protects in perpetuity 665 acres of open lands at Kawela Bay on O'ahu's North Shore.

- **Preserving the environment** – We renegotiated and closed the **Turtle Bay deal** — a landmark agreement that provides a truly great gift to our children. Four miles of pristine ocean shoreline and eight miles of trails are protected forever. We also restored the flow of the **Hanalei River on Kaua'i** for our taro farmers. For the future, we're developing a comprehensive plan to protect our coral reefs and shorelines from the impacts of climate change.

- **Easing traffic** – Our people spend too much of their lives bumper-to-bumper. To help, we've added an extra H-1 lane near Pearl City and Waipahu and embarked on the long-delayed Queen Ka'ahumanu Highway widening project on Hawai'i Island. Federal officials recently praised the state for reducing \$100 million worth of long-standing highway projects, clearing the way for more funding. We also will continue to help the rail system move forward.

- **Creating more job opportunities in a strong economy** – One of my priorities is to focus on workforce development and improve the business climate. We'll continue **Hawai'i's leadership role** in the **Asia-Pacific region** by expanding international trade and tourism, student exchange programs, clean energy agreements, and military support.

To create more jobs, we received multi-million dollar federal grants, funding by the Legislature and public-private partnerships to launch new programs in high-demand areas. These include information technology and "smart grid" energy industry training and small business and community-based economic development.

To support entrepreneurs and business development, the HI Growth Initiative has graduated more than 50 startups and generated more than \$46 million in Hawai'i-based venture capital for local companies. We've also received among the largest grants in the nation from the Small Business Administration to encourage more export of Hawai'i products.

To position Hawai'i for global film production and other creative media - Two new high-speed broadband facilities have opened with state-of-the-art connectivity. This expansion works with the Hawai'i Film Studio, production incentives, and the state's Creative Lab program to develop homegrown talent.



Courtesy House of Representatives

Legislators hear about job growth in Hawai'i as part of a High Tech Development Corporation event at the Manoa Innovation Center.

For our media-savvy students, the state recently partnered with Pixar Animation and Khan Academy to field test an online curriculum, "Pixar in A Box." Forty Hawai'i middle and high school teachers — the only ones in the nation — are integrating the math, science and storytelling program in their classrooms and will provide feedback to Pixar in the coming years.

- **Improving education for our children** – **The Department of Education** reports more public school students are enrolling in early "dual credit" classes (earning college credits while still in high school). I appointed an excellent school board chair in Lance Mizumoto, president of Central Pacific Bank. He and I are committed to delivering more dollars directly to the schools and giving schools more control.

In the University of Hawaii system, graduation rates are increasing and more than \$30 million in federal grants has been awarded to improve Native Hawaiian student success. Palamanui, the long-awaited campus in Kona, opened in fall 2015. Also, XLR8UH, a launch pad for innovative ideas from UH teams, received \$425 million in grants and research funds last year.

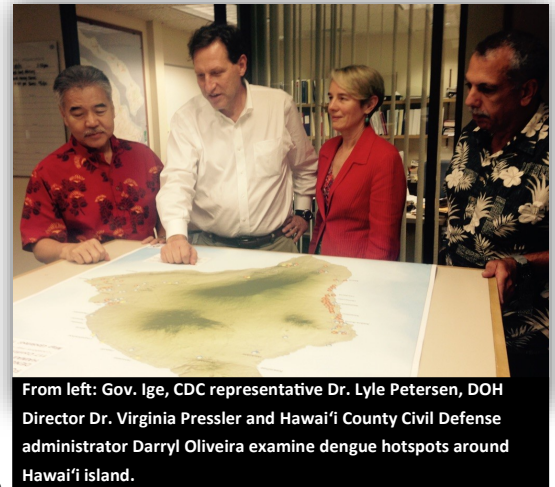
- **Improving health and well-being** – We have talked for years about managing our rural health care facilities and how to curb the growing losses. Now, we are moving forward to transition to a **new private health care delivery on Maui**. The Department of Health also completed a Hawai'i State Hospital Master Plan for improved mental health treatment.

In addition, the DOH led a **“Fight the Bite”** campaign to combat a dengue fever outbreak on Hawai'i Island. An official from the Centers for Disease Control praised the state and Hawai'i County for their efforts, calling the coordination **“among the best (he's) seen in many outbreak situations.”**

- **Building a better energy future** – We remain committed to a **100 percent clean energy future**. That includes declining to go the path of substitute fossil fuels like LNG.

The state will continue **to protect the public interest** in proposals such as the one involving NextEra. Ongoing “green” initiatives include reducing energy consumption at the state’s 12 airports and making alternative energy more affordable for low- and moderate-income homeowners, renters and others.

The Natural Energy Laboratory of Hawaii Authority recently completed a new \$5 million technology hub for West Hawai'i businesses in marine science and clean energy. The Ocean Thermal Energy Conversion plant — the world’s largest — on Hawai'i Island was also dedicated.



From left: Gov. Ige, CDC representative Dr. Lyle Petersen, DOH Director Dr. Virginia Pressler and Hawai'i County Civil Defense administrator Darryl Oliveira examine dengue hotspots around Hawai'i island.

Making government more efficient and effective

Managing taxpayer dollars better – I firmly believe that we can't get lasting results without **fundamental change**. That means cutting waste, modernizing systems and making state government more productive. In November, we completed the first bond sale of our administration — \$750 million issued at 2.6 percent — one of the lowest interest rates in the history of the state. We've restructured our payments for the pension fund to make better use of your tax dollars. We'll **save more than \$1 billion** over the next 20 years.

“For state government to change, it all comes down to leadership. It starts with the governor — his integrity and his goal of wanting to restore public trust in government.”

— **Todd Nacapuy**
State Chief Information Officer



CIO Todd Nacapuy demonstrates eSign Services for the governor and his team.

- **Modernizing the tax system** for roll-out in 2016 — This was an area where government has failed in the past, but our restart is now on track. We have added staffing to answer questions from the public and tax preparers and found \$21.5 million in tax fraud.

- **Changing the way we handle information technology and improving services** – This means cancelling procurement of systems we can't afford, terminating contracts and seeking recovery of funds when consultants fail to perform. It also means using less paper and improving public access to information and services.

- **Managing our prisons better** — We reduced overtime by 16 percent, saving \$1.4 million. More importantly, we have not cancelled family visitations due to staff shortages at any facility since last January.

- **Expanding the safety net** — We just received a check for \$660,422 for our **improved work on a public assistance program** and earned federal recognition for being among the top six in the nation for timely applications. We're also helping spearhead juvenile justice reform and creating an integrated, long-term care program for the state's Medicaid beneficiaries.

- **Supporting agriculture statewide** — We're working to double local food production in the future and acquire land for smaller, diversified agriculture. We've also formed a fact-finding group on Kaua'i to examine possible health and environmental effects of pesticide use in genetically modified crops.

Making things happen for the future

Our goal for this first year was to make state government more productive and service-oriented. In the coming years, our priorities will include more funds for our schools as well as housing and homelessness, workforce development, improved social and health services, and advancing the state's economy through innovation and global initiatives. We'll keep working toward a clean energy future while we protect these islands we call home.

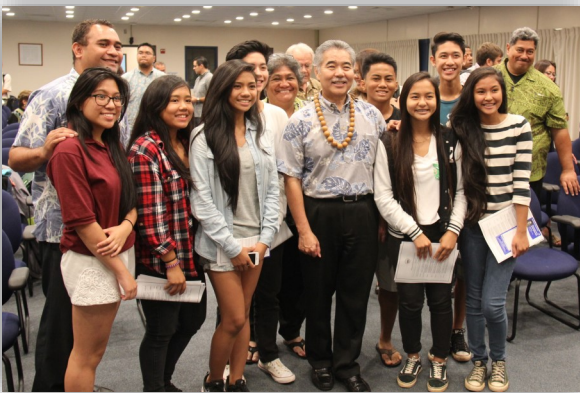
"Together, we can make things right to make things better for all of us."

— Gov. David Ige



Gov. Ige joins Congresswoman Tulsi Gabbard and county officials in "flipping the switch" at the Ocean Thermal Energy Conversion plant blessing in Kona.

Connecting with our communities statewide



Public forums with the governor and cabinet members drew large crowds across the state.

From left: Students from Farrington High School gather for a photo op with Gov. Ige at the HCC forum. West O'ahu student Kyle Tokuda poses with the governor for a school project at the WCC forum.



Courtesy Shelley Paik

Senate president Ronald Kouchi introduces Gov. Ige, the First Lady and members of the governor's cabinet at the Kaua'i community forum.

We've had large, appreciative crowds at a new series of public forums, partnering with the UH community colleges to provide updates on state projects and listen to people's concerns.

So far, cabinet members and I have held "Community Connection" forums at Windward, Honolulu and Kaua'i CC. Still to come are other forums at Leeward, Kapiolani, Maui, Hawai'i and the new Palamanui campus in Kona.

The interactive events include a real time text-in poll with students and community members asking a wide range of questions ranging from traffic and homelessness to education and jobs.

"I think it's important for the governor and his administration to reach out to the community to understand the issues that are important to us," said Kāne'ohe resident Kathy Olivera.

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