



From the governor: Taking action, getting results for the future

More housing for local families. Better solutions for homelessness. An innovation economy driven by homegrown talent. A chance for our children to live in a safe, sustainable Hawai'i. Those are a few of the areas Governor Ige and his team are working on every day. This edition of Capitol Connection describes some of the ways we're making progress on long-standing issues — with actions, not just words — and taking the lead on some of the most important challenges of our time.

Q. What promises do you feel you've made and kept for the people of Hawai'i?

A. We've done our best to keep all our promises to make life in Hawai'i better. Before I became governor, I had the sense people felt they weren't getting good value as taxpayers. It seemed like more and more decisions were made on behalf of special interests instead of the public interest. Now we're building more affordable housing and making progress on homelessness. We're also seeing more public-private partnerships and collaboration. In education, we're empowering schools and preparing students for the future. And we're maintaining our visitor industry strength as well as creating higher-paying jobs in an innovation economy. Evidence shows that we've made progress in many of our high priority areas, while being smart about managing taxpayer dollars.



FACES OF THE FUTURE: Gov. Ige with Pearl City Highlands robotics team members, who have competed nationally.

Q. From your time in the Legislature, you were already looking for ways to spur an innovation economy. Why is this so important?

A. It's true in the '90s I wrote the state laws dealing with venture capital and helped establish the Hawaii Strategic Development Corporation and the Hawaii Technology Development Corporation to create new jobs. I also secured funds for the HI Growth Initiative, which created the foundation for a startup ecosystem. It's graduated over 150 companies, many of which are still going strong. For Hawai'i and state government to keep pace, we have to help retrain our current workforce and create jobs that attract the next generation — whether it's in clean energy and agriculture, digital media and computer apps, or cutting-edge technology in healthcare.

Q. What is the outlook for the 2018 legislative session from the administration side?

A. Our financial management of the past three years has put us in a much better fiscal position now than when I first took office. The executive budget allows us to make progress in all the priority areas: education (such as Early College and Hawai'i's Promise), our Sustainable Hawai'i plan, doubling food production, continuing to reduce homelessness and investing in our people. The capital improvements budget targets important areas such as education, transportation and housing for broad economic impact. It's about making strategic investments in programs that make a difference now for our community while maintaining our reserves for the future.

Q. What are some concerns you're hearing from other governors? (Gov. Ige is vice chair of the Western Governors' Association.)

A. Workforce is a big priority. It's remarkable to me that many states have the same challenges as us. They have high-quality jobs that they can't find employees for, so the discussion is how to connect classroom learning with the skills people need to be successful. Concerning the tax overhaul package from Congress and the Trump administration, my main concern is that they made significant changes so quickly, we're not sure of the full impact to the states. We also have to be prepared for possible cuts to federal programs.

Progress and change: The governor's report to the people

Modern, not antiquated . . . responsive, not bureaucratic . . . real improvements, not just empty rhetoric. Sometimes progress isn't always dramatic or easy to see. Yet Governor Ige believes positive change is not only possible, it's happening now, and he wants the public to know his administration is working hard on their behalf. "I have faith in the talents of our people to lead, not just follow, in areas we all care about," the governor said. This issue of Capitol Connection describes some of the ways Hawai'i is moving forward – and in many cases, leading the way – to a better future.

1 BUILDING MORE HOUSING PEOPLE CAN AFFORD

- **More housing units for local residents** - The Ige administration is on track to reach its goal of 10,000 housing units by 2020. About **5,300 units** have been produced since the governor first took office. **Forty percent of those are affordable.** Another **1,400 units** are under construction and **4,500** are in some stage of planning. Developer Stanford Carr said of Governor Ige, "The governor has listened and taken action to provide more financing tools to create more housing. We want to help local residents."

- **Projects increased statewide** - From O'ahu and Maui County to Kaua'i and Hawai'i island, **more than 20 rental and affordable for-sale projects have opened in the last three years or are in the pipeline** for the future. Many of the projects target residents whose incomes are at or below 60 percent of the area median income (AMI). On O'ahu, that would mean a family of four making about \$60,000 a year. "This governor has put the emphasis on **affordable housing for working families,**" said Craig Hirai, executive director of the Hawai'i Housing Finance and Development Corporation (HHFDC).

- **New future for Kalihi envisioned** - A community vision team, working with the state Office of Planning, has completed its **Kalihi 21st Century Transformation Initiative** — fulfilling a promise the governor made in his 2016 State of the State address to "revitalize Kalihi." "Being part of the planning process from the start was empowering, but it also shows that Governor Ige cares about what we think and want and need," said long-time Kalihi resident April Bautista. "He promised he would work with us to create a vision for Kalihi and he delivered." The transformation of Kalihi will depend on the relocation of the aging **O'ahu Community Correctional Center**, which sits along the path of the city's planned rail line.

- **More homestead lots for Native Hawaiian families** - For the **Department of Hawaiian Home Lands**, the Ige administration secured the highest level of state funding ever at \$23.9 million, more than double that of the previous administration. DHHL will continue to provide more vacant lots prepared for housing construction, turnkey homes and subsistence agriculture awards.



HOUSING PARTNERS: Gov. Ige joins Kaua'i officials and advocates at blessing for the Kaniko'o Rice Camp rental apartments for seniors.

2 REDUCING HOMELESSNESS WITH BETTER SOLUTIONS

- **Focused efforts produce results** - While there are no quick fixes to moving people off the streets, evidence shows we're on the right track to help people "thrive, not just survive." Homelessness is **down 9 percent statewide** with Hawai'i, Kaua'i, and Maui counties showing some of the largest declines. Katy Miller of the U.S. Interagency Council on Homelessness praised the state's progress, saying, "**Hawai'i is on the right path** and is implementing really promising practices. All of these things take some time."



FAC 1st ANNIVERSARY: Celebrating with homelessness team leaders and service providers in Kaka'ako.

- **The Family Assessment Center (FAC) in Kaka'ako** celebrated its one-year anniversary — offering hope, support and housing placement in 90 days or less for homeless families. "Many of the FAC families have been homeless for a long time," said state homelessness coordinator Scott Morishige. "It's a real transformation to see young children who have never had a roof over their heads be in a place that's safe and stable," he said.

- **Better enforcement in public spaces** - The **Kaka'ako and Nimitz Viaduct enforcement efforts** will continue to keep public spaces safe. "The situation that led to the Kaka'ako Park closure was unacceptable," said Governor Ige. "Homelessness is a very complex issue, but we're seeing successes every day with state, county, service providers and the community working together."

- **More public-private partnerships** - **Kahauiki Village** is set to open this month for the first group of homeless families on state land near Ke'ehi Lagoon. The plantation-style village was launched by businessman Duane Kurisu and his aio Foundation to provide affordable rental units for families who are employed but in transitional housing.

3 Taking the lead on sustainability

“As the nation’s only island state, we in Hawai’i know climate change is real,” said Governor Ige. “It’s unfortunate that President Trump withdrew from the Paris Accord, but now states and governors can be leaders to fight global warming. The message of the Hōkūle’a was that we need to *Mālama Honua*, ‘Care for the Earth,’ to survive together.”

- **Hawai’i leads nation in fighting climate change** - In 2017, Governor Ige signed Act 32 into law, making Hawai’i the first state in the nation to commit to implementing the goals of the **Paris Climate Agreement**. The state has been widely recognized as a clean energy leader.



FIRST IN NATION: Gov. Ige and legislators made Hawai’i the first state in the nation to enact laws that align with the Paris Climate Agreement.

- **More state leadership on sustainability** - The Ige administration has delivered other “firsts” to protect the islands’ natural resources: a far-reaching **Sustainable Hawai’i initiative** to manage priority watersheds, protect nearshore ocean waters and increase local food production; the state’s **first Interagency Biosecurity Plan** to combat threats from invasive species; and the **first “pest hotline”** for local residents to report pest sightings and a **DLNRTip app** for resource violations; the **first-ever statewide Coral Bleaching Recovery Plan**; and the **first Sea Level Rise Vulnerability Report** from the state’s Climate Change Commission.

- **Agriculture expanded statewide** - Since the governor took office, the state, through the Agribusiness Development Corporation (ADC), has doubled its land inventory to own more than 2,500 acres of former pineapple and sugar plantation lands. ADC has more than 500 acres in production and expects to increase to 950 acres of ag production with more than 50 new farmers.

- **Landmark organic food production tax credits established** - The governor signed into law Act 258 — the first of its kind in the nation — to help Hawai’i farmers defray costs of organic production and maintain certification.

4 BUILDING A GREEN ENERGY FUTURE STATEWIDE

- **National recognition for clean energy initiatives** - National energy efficiency experts honored Hawai’i with its “Race to the Top” award for the pioneering work being done by state and county agencies to boost investment in energy efficiency projects.

- **New projects statewide to create a “green energy” future** - From solar farms and other alternative energy projects to a plan to use seawater to cool seven state office buildings and the state Capitol, Hawai’i is making significant progress on its renewable energy goals for a “triple bottom line” of more local jobs, lower taxpayer and consumer costs, and environmental benefits. The preliminary agreement with Honolulu Seawater Air Conditioning should result in benefits at no additional cost to the taxpayer.

- **Hawai’i Energy programs report record energy savings** - Since the start of his administration, Governor Ige reported residents and businesses statewide saw more than \$95 million in first-year savings on their utility bills by reducing energy use through Hawai’i Energy programs.

5 TRANSFORMING EDUCATION FOR STUDENT SUCCESS

- **Cooled 1,300 of Hawai’i’s hottest classrooms** - Governor Ige exceeded his promise to cool more than 1,000 classrooms with a \$100 million legislative appropriation. Students and teachers at over 88 schools on five islands benefitted, with more improvements to come.

- **Completed a new Blueprint for Public Education** - More than 3,000 school and community members statewide provided input for the Governor’s Every Student Succeeds Act team to improve schools statewide. New Department of Education superintendent, Dr. Christina Kishimoto, will focus on closing achievement gaps and building innovation in school design.

- **Established innovative programs from K-12 through higher education** -The governor worked successfully with the Legislature to secure funding for initiatives such as **Early College** and **Hawai’i’s Promise** to ensure more local students follow a path to 21st century careers and realize their talents.

Governor Ige was recognized recently for bringing the **CyberStart** pilot program to Hawai’i students for job training and improved cybersecurity statewide. “Hawai’i’s scores were remarkable,” said Alan Paller of the SANS Institute, which sponsored the program. Of the 3,300 students competing from seven states, eight Hawai’i high school and college students were in the top 50 nationally.



PROMISE KEPT: Gov. Ige, Nanakuli senior class president Tala Ealim, DOE superintendent Dr. Christina Kishimoto and assistant superintendent Dann Carlson with solar-powered AC.

6 Growing a strong economy — now and for the future

- **Continued building on record tourism and international business development** -The Ige administration brought more global travelers to the state and expanded routes from the U.S. mainland and Asia.

- **Expanded programs to build an innovation economy** -These efforts ranged from STEM education in the DOE and UH to Department of Business, Economic Development and Tourism's efforts to promote small business, startups and the Entrepreneur Sandbox in Kaka'ako, set to break ground soon. "The innovators are the ones who spur our economy and become our future leaders," said Governor Ige. "We have to start early with our young people so they can develop their careers right here at home."

- **Founded and expanded the Hawai'i Annual Code Challenge** - Based on an idea from the governor, the state paired several hundred coders with state departments to improve services. "The HACC proves we have the local talent to find solutions to government challenges," said the governor.



MAKING IT REAL: (above) The Entrepreneur Sandbox in Kaka'ako, a public innovation space set to break ground in 2018. Gov. Ige with UH student winners at the state's 2017 Code Challenge.



RECORD TOURISM: Visitors arrive in Kona after return of international flights.

7 MOVING AHEAD ON TRAFFIC AND TRANSPORTATION

- **Finished more highway projects** on O'ahu and the neighbor islands to alleviate traffic congestion, including Zipper Lane expansion and contraflow lanes on Kahekili and Farrington Highway, completion of Saddle Road construction and progress on the Lahaina Bypass. We also reduced the backlog of highway projects in the federal "pipeline" to keep funds flowing to the state and its counties.

- **Moved forward on airport modernization on O'ahu and Maui** and re-established the Federal Inspection Service facility at the Kona International Airport for more global travelers.

- **Launched the long-awaited Honolulu Harbor modernization project** to increase shipping options for the business community and lower consumer costs.

8 IMPROVING HEALTH AND HUMAN SERVICES

- **Launched 'Ohana Nui**, a multi-generational service approach to help families break the cycle of poverty and **initiated the Kupuna Caregivers** program to help family caregivers with full-time jobs tap into community resources.

- **Secured funding** for new **high-security Hawai'i State Hospital facility** and increased focus on mental health treatment.

- **Created a statewide opioid abuse initiative** involving state health, public safety and consumer protection agencies and **implemented the state's first medical marijuana dispensaries** for qualified persons with health conditions.

9 MANAGING BETTER, SMARTER: SAVING DOLLARS AND MODERNIZING SYSTEMS

- **Hawai'i rated strong on fiscal management** - Moody's Analytics reported Hawai'i is one of only 16 states with enough cash reserves to weather the "stress test" of another recession.

- **Savings earned for more state projects** -The governor's careful management achieved a AA+ bond rating from Standard and Poor's, resulting in lower borrowing costs for important state construction projects such as new schools and affordable housing programs.

- **Antiquated systems modernized; investing in retraining people** -To improve services and efficiency, the Ige administration is tackling long-overdue modernizations of the tax and payroll systems, workers' compensation and other paper-based records while remaining committed to training the employees who will maintain these systems into the future.



SYSTEM MAKEOVER: This "Team of the Year" in workers' comp is dramatically cutting wait times by digitizing 20,000 paper claims a year.

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