



Excerpts of the Governor’s 2019 State of the State Address

## Building a better Hawai‘i for generations to come

*“The future has a name, and it is the name of a son, daughter, grandson or granddaughter.”*

— Governor David Y. Ige

Like the start of each new year, the State of the State address offers us an opportunity to look back at where we’ve been and forward to where we want to go. The decisions we make today touch all of our lives. They are informed by our past and will affect the lives of many far down the road. . . . About a minute past midnight on January 1, 2019, **Alekeh Obra Garcia** was born to Clarissa and Johnson Garcia of Kona—the first baby of the new year for the state of Hawaii. In 2037, when she and her classmates graduate from high school, some of us will be long gone.



Governor Ige describes the future he envisions for Alekeh Garcia.

**How will they view the decisions we make today?** How will they view their past and their children’s future? Will they look back with reverence the way we do at our parents’ generation, or will they look back with disappointment and regret? Too often, when we talk about the future we speak in macro-economic terms. But for me, the future is personal. In many ways, it has to be if we want to make wise decisions. The future has a name and it is the name of a son or daughter, grandson or granddaughter. Whether you have children or not, I know many of you feel the same way about Hawai‘i. The future is personal because it is about our home.

## ‘The state of the State of Hawai‘i is sound’



Hawai‘i has made progress on Aloha+ Challenge sustainability.

**H**awai‘i is once again ranked the healthiest state in the nation. Our unemployment rate is among the lowest in the country. Our visitor industry is moving toward another record-setting year, and both individual personal income and the state’s gross domestic product have been steadily growing. For four years, we have worked hard to put the state on sound financial footing by building our reserves and by paying down our unfunded liabilities, including those to our employee pension and health benefit systems. We now have the highest bond rating in the state’s history, resulting in lower interest rates when we need to borrow money. The state of the State of Hawai‘i is sound.

**More importantly, we are positioned to meet the challenges**—both good and bad—because we have proposed a prudent budget that does not spend all that we project to bring in. And, as Senate President Kouchi noted in his opening day remarks, we will continue with that prudent stance even as we take care of the current needs of our people. It is, as you might guess, a delicate balancing act. . . .

**More than ever, we need to shape our own destiny through education and innovation. And we need to protect those things that mean the most to us—our natural resources, our way of life, our values, and our children’s future.** The road ahead remains clear and so do the reasons why we need to press on with the progress we’ve made over the last four years. As a state, we have always been “outward” looking in our values, goals and actions. We have always put others first. In today’s “me-centered” world, that is what I am most proud of as governor of Hawai‘i. That is the gift that we pass on to little Alekeh Garcia—that compassionate spirit that I believe resides in all of us: **the spirit of aloha!**



Aloha and traditions are valued. Courtesy PID

# A new system of public preschools

**I**n 2023, Alekah will be ready for preschool. But will a preschool be available and ready for her? Research tells us that early childhood education, such as preschool programs, are critical for brain development. Yet in Hawai'i, we have left that important task to others and only for families who can afford private preschool tuition. It doesn't have to be that way. We must create a universal, statewide, high-quality public preschool system that will give every child in Hawai'i a head start on learning.



NEW PRE-K VISION: Gov. Ige with Lauren Moriguchi, BOE Chair Catherine Payne and DOE's Christina Kishimoto.

That's why I am **proposing to the Department of Education that we restructure schools** presently composed of kindergarten through grade 6 to pre-K through grade 5. Grade 6 in those schools would then become a part of our middle schools, where the added classes could be more easily and financially accommodated. Presently, about half of our elementary schools still include sixth-grade classes—most are located on the neighbor islands, where preschools, both private and public, are lacking. Of all our initiatives, I believe this one will make the greatest difference in preparing our children for the future and in creating a 21<sup>st</sup> century workforce. Moreover, this is an initiative we can and should begin now. My thanks to **Lauren Moriguchi, director of the Executive Office on Early Learning, and DOE Superintendent Christina Kishimoto** for spearheading this initiative.

And so in 2033 when Alekah Garcia is a freshman in high school, she'll be well prepared to take advantage of the state's **Early College** and **Hawai'i Promise** programs—a choice made possible because of the partnerships we've established with the DOE, UH and its community colleges. That's why we're working hard to ensure that Alekah will have good teachers throughout her education. That's why we need to expand our pool of teachers in some of our most difficult-to-staff schools. And we're doing so in partnership with UH, HSTA and the DOE, and with education advocates like state Sen. Michele Kidani and Rep. Justin Woodson.

# New approaches to affordable housing, homelessness

**O**n islands where land is scarce and the cost of living high, providing affordable homes for our families has been one of the most challenging aspects of caring and looking out for each other. . . . With the help of the Legislature, our Congressional delegation, the counties, federal agencies, business and community service organizations, we *have* made significant strides in addressing homelessness. Together, we have **reduced our homeless population for two consecutive years, for a total reduction of 18 percent**. This includes decreases in every county, including key homeless groups such as families, children and veterans. Two years ago, only a third of those exiting homeless services went to permanent housing. That number has now increased to over 50 percent.



HOMELESS SOLUTIONS: Gov. Ige with Duane Kurisu of Kahauiki Village and Scott Morishige.



PARTNERSHIPS: Dr. Daniel Cheng and CEO Art Ushijima with the governor.

More importantly, we have met this challenge as a community and not left it to government alone. For example, the **Queen's Medical Center has become the first hospital in the nation** to place its most medically fragile, homeless patients into housing as part of the recovery process. In the last year and a half, the **Queen's Care Coalition team** has worked with 112 individuals, placing 75 percent of them into stable housing. With us today is **Dr. Daniel Cheng, who heads the Queen's Care Coalition and the president and CEO of Queen's Health Systems, Art Ushijima**. I should also note that **Lt. Gov. Josh Green** will be the state's new point person on leveraging private sector partnerships for the chronically homeless. He will work closely with **Scott Morishige, the state's overall homeless coordinator**, who will continue to lead the state's homeless efforts. I strongly believe

that our overall response to homelessness must address both immediate concerns and its underlying cause: the lack of adequate affordable housing. That's why this year's budget includes **\$315 million for housing over the next two years**. In the past four years, we've produced a total of 6,600 units with over 7,100 in the pipeline, 90 percent of which will be rentals.

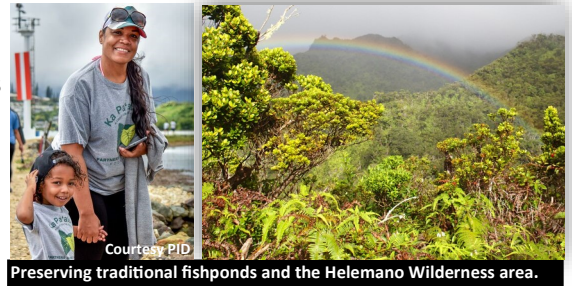
**How do you make homes in Hawai'i affordable? I believe you do it by thinking outside the box. That's why we will be submitting legislation to build condominiums on state lands utilizing 99-year leases.** These will include parcels along the transit route as well as on other underutilized state lands. This legislation will be critical to unlocking the potential for thousands of new affordable housing units to be built on state lands on all islands. The state will retain ownership of the land under these condos and determine the terms of resale if the owners decide to sell at a later date. In this way, we will be able to keep the units affordable, plan growth around those communities, create jobs, and make the most of unused state lands. My thanks to State Sen. Stanley Chang, whose input went a long way in helping us shape this initiative. **On Maui, we also have a great example of how the state and county are working together to build a new transit hub at the Kahului Civic Center.** Together, we are transforming underutilized state land into a vibrant new mixed-use project with plans for a major bus hub, multi-family affordable rental housing, senior housing and office space.



Rendering of a Maui affordable housing project near the Kahului Civic Center bus hub.

# Protecting the ‘āina for future generations

In addition to controlling and directing growth, planned development allows us to accommodate other priorities as well. **Our future requires that over time we, as a state, acquire and preserve more and more land**, either as state land or in the hands of partners like the Trust for Public Lands and the Nature Conservancy. If we want green spaces, if we want to grow our own food, if we want places for recreation, if we want clean, fresh water, if we want the environment that has been so central to Hawai‘i’s life, we need to have special lands in public hands.



Courtesy PID  
Preserving traditional fishponds and the Helemano Wilderness area.

Take, for example, the **new state Helemano Wilderness Recreational Area**, 2,900 acres of former plantation and conservation land now dedicated to protecting our watershed and wildlife habitat and providing outdoor recreational opportunities for all. In October 2018, the Trust for Public Land and the state completed the purchase of four parcels of land from Dole Food Company using a creative combination of private, federal and state funding. In an earlier time, those lands might have been sacrificed to uncontrolled development. To a certain extent, this project was made possible because we have a plan for future development on O‘ahu, with growth directed to our urban core and along our fixed transit system. That lessens the pressure for development in other areas, including important agricultural and preservation lands.

It also allows us to initiate discussions with other private landowners, who have expressed an interest in developing lands in places like **Kāne‘ohe and Maunawili**. We would prefer to negotiate acquisition agreements with them so that we can realize similar benefits to our natural resources and recreation. These places are worth saving for us and for future generations. That’s why we are requesting **increased funding for land conservation by removing the \$6.8-million cap on the 10 percent conveyance tax to the Legacy Land Conservation Program**. And I’ve instructed **DLNR to prioritize a strategic plan** to help us better identify and coordinate the acquisition of such parcels of land going forward.

## Partnering and taking the lead for a Sustainable Hawai‘i

In addition to preserving important conservation and agricultural lands, under the Sustainable Hawai‘i Initiative, we have established strong guidelines **to protect our watershed forests, better manage our oceans, strengthen invasive species prevention through our bio-security plan, double our local food production, and achieve 100 percent renewable energy by 2045**.

**Our budget includes \$3.9 million over two years for Sustainable Hawai‘i initiatives**, to support our biosecurity plan, watershed protection and our Agricultural Loan Revolving Fund. And speaking of sustainability, I would be remiss if I didn’t mention that last November, Hawai‘i was designated one of the **United Nation’s first Local 2030 sustainability hubs**—the first and only such forum in the Pacific. I would like to thank **Hawai‘i Green Growth and The Kamehameha Schools** for their work in achieving this designation. They are highlighting our achievements and helping to establish Hawai‘i as a leader in sustainability in the Pacific.



CEOs Jack Wong & Celeste Connors with Gov. Ige.

**Private companies are investing in Hawai‘i to help us meet our sustainability goals.** For example, Ampaire has a memorandum of understanding with Mokulele Airlines to deploy an electric airplane on Maui. CarbonCure is working with the Hawaii DOT, HC&D, and Hawaii Gas to develop carbon infused concrete to lower the carbon dioxide emitted during the construction process.



Our public utilities have also made great progress in transitioning to a renewable energy future. Earlier this month, **Kaua‘i Island Utilities Co-op** announced it has reached 50 percent renewable generation and believes it can reach 70 percent renewable energy a full 10 years ahead of schedule. In the last 10 years, **Hawaiian Electric Companies** have reduced fossil fuel used to generate electricity by 26 percent—that’s 48 million fewer gallons of imported oil a year. The companies have also pioneered technology to integrate more renewable energy into the electrical grid, and delegations from around the world are coming to Hawai‘i to learn from our experience.



Green energy partners: CEOs David Bissell (KIUC), Alan Oshima (HECO) and Gov. Ige.

**In agriculture, we are entering a new age of innovation**, one that will bring new jobs and opportunities and decrease our reliance on imported foods. The future of agriculture relies on producing crops more efficiently and with less impact on the environment. Farmers are constructing cutting-edge greenhouses, using automated production systems, and analyzing data to increase crop yields. These modern practices will require new skills and a workforce grounded in science- and math-related education. Companies like **Costco** want to build high-tech greenhouses and use these new agricultural techniques in Hawai‘i to complement the food production of local farmers and replace fruits and vegetables from out of state.

# 'We can do so much more — if we work together.'

**Replacing OCCC** - We are seeking to continue the process of replacing the outdated correctional center in Kalihi. The relocation gives us a chance to provide enhanced services and program opportunities that would aid in rehabilitation. I agree with Rep. Gregg Takayama and Sen. Clarence Nishihara who head the committees on Public Safety. It's a chance to rethink how we design and build correctional facilities. If we disagree on the location, how big it should be or the programming offered—fair enough. Let's work together. While it is not the primary reason to relocate O'ahu's outdated jail, **the chance to revitalize the community of Kalihi** by using that vacated space to create new economic and social opportunities is another good reason to relocate OCCC.



Gov. Ige called for unity in creating a better future for Hawai'i.

**Raising the minimum wage, more TAT resources for the counties** - Concern for others is why we are submitting legislation to bring our minimum wage closer to a real "living wage." But to translate those concerns into meaningful action takes resources. That's why we must be cognizant of the needs of the counties. To help them do their jobs better, **we will be asking the Legislature to remove the current \$103-million cap on the Transient Accommodations Tax (TAT)** and return the tax to how it originally functioned: allocating to the counties a straight percentage of TAT funds collected. In other words, the counties' share would rise and fall based on the amount of money collected—without any cap on the high side. There is a fairness to that formula that speaks volumes not only about our concern for others, but about **our willingness to work with the counties as equal partners in moving the state forward. It's a change in the whole notion of revenue sharing whose time has come.**

Finally, we have spent the last four years implementing frameworks that will help guide us far beyond the next four years: our blueprint for education, our clean energy portfolio, and our sustainability roadmap. **The major initiatives** that I've highlighted this morning—**on public preschool education, affordable leasehold condominiums and the TAT adjustment**—are built upon these and other frameworks. But to realize our goals, it will take more than just this administration, more than government, more than the private sector, or community service and nonprofit organizations. **It will take all of us.**

I began my remarks this morning with the notion that the future is personal. Leadership is also personal. And it has a name and it is Us. We have a duty and responsibility to do our jobs and do them in partnership with each other. That is the least those folks up there in the gallery—the people we all work for—expect. I know we can do so much more—if we work together. That's why I have been meeting with the Senate and the House to see if we can establish a common ground from which both houses can better shape a budget. **After four years in this office, I know what I am asking is not an easy task.** It never has been. But it becomes easier if we remember that little girl who was born in Kona in the very early morning hours of Jan. 1. She is the real source of our strength, our determination and our commitment to Hawai'i. She is the one who will carry on the values that were passed on to us from our parents. **Alekeh Obra Garcia is our future**, and we welcome her with loving, open arms. We have a job to do to prepare these islands for her, so let's get started---shall we? Thank you and aloha.



Linda Berry  
Alekeh, Mom & Dad

## GOVERNOR DAVID IGE'S CABINET (subject to Senate confirmation, except for DOE and UH)



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