

**“ACTION ROOTED IN VALUES”**

First Message to the Hawai‘i State Legislature

January 23, 2023

The good people of Hawai‘i,  
First Lady Jaime Green,  
Speaker Saiki,  
Senate President Kouchi,  
Chief Justice Recktenwald,  
Office of Hawaiian Affairs Chair Carmen Lindsey,  
Lieutenant Governor Luke,  
Honorable members of the Legislature,  
Former Governors of the State of Hawai‘i,  
Mayors and their representatives,  
Our Congressional Delegation,  
Foreign dignitaries,  
and leaders from the public and private sectors —  
Mahalo for being here.

It’s a great honor to stand before you and address you as your governor.

This is more than just an update on our progress as a state.

This is our beginning, our ***huliau*** — a moment to share our vision and our values.

Over the past few years, we have come through enormous challenges together.

We endured a once in a century pandemic that impacted our way of life, threatened our economy, and robbed us of too many precious lives.

We wrestled with a housing crisis that forced too many of our people out of our state in search of economic opportunity and more affordable homes.

We witnessed the risks and consequences of an economy too heavily dependent on tourism alone.

And we suffered environmental threats both from pollution and from the effects of global climate change.

But even in our darkest and most painful moments, Hawai'i's values shone through, the character and soul of our people prevailed, and we found a new dawn of hope.

Through these difficult times, we showed that when we stand together, when we put our values into action, we can meet any challenge and overcome any problem, no matter how large or difficult it seems.

Our new administration will take on: housing, environment, tourism, homelessness, poverty, and economic opportunity in our islands.

The people of Hawai'i have elected us to lead, and given us a clear mandate to act on their behalf, following our common values.

**It's time for us to move Hawai'i forward — and we will do it by taking bold action rooted in these shared values.**

## **UNITY**

Governor John A. Burns said it best:

"In diversity, there can be unity.

In division, there is schism."

Hawai'i is one 'ohana — one family — and this is one of our most important values and greatest strengths.

In its essence, 'ohana is a commitment to each other with aloha, respect and appreciation for our diversity, and tolerance of our differences, all in service for the greater good.

It allows all of us to benefit from the different cultures, perspectives, and lived experiences of every community in our state, and to forge a single unity of purpose out of the most diverse population imaginable.

We will unite and bring all of our strengths to bear on the urgent issues we face.

This will be one of my most important responsibilities as governor — to bring people together, unite us as one 'ohana, and always remind us that we are stronger together and we can accomplish anything when we share a common purpose.

## **A MANDATE FOR BOLD ACTION**

The preamble to Hawai'i's constitution holds that "we reserve the right to control our destiny, to nurture the integrity of our people and culture, and to preserve the quality of life that we desire."

It is not only our right, but our kuleana — our responsibility — to take action to control our destiny and preserve our quality of life.

Our constitution gives us that right, and the people of Hawai'i have given us this mandate and imperative as their elected leaders.

**Today we need new ideas, new solutions — and bold action rooted in our shared values.**

Business as usual won't work anymore — there is simply too much on the line to accept the status quo.

Each day without action means another family forced to move to the mainland, another child sleeping on the street, another local business closing, and another precious natural resource put at risk.

Each day without action means we miss another opportunity to heal Hawai'i, do what is right and just, and preserve our islands for future generations.

My administration has already begun to act with urgency since day one.

Our state motto says so powerfully —

*“The life of the land is perpetuated in righteousness”* — and **this** is the moment for righteous, bold action rooted in our common values.

So I ask everyone here to say **YES** to the wisdom guiding us in our constitution, in our motto, and in the mandate the people have given us.

Say **YES** to new ideas and solutions, and to putting our values into action.

- **YES**, we can achieve our goals
- **YES**, we can overcome our challenges.
- **YES**, we can make a difference in our communities and in the lives of the most vulnerable.

We say:

- **YES** to more housing.
- **YES** to more jobs and opportunities for our residents.
- **YES** to leading the world on renewable energy.
- **YES** to lowering the cost of living.
- And, **YES** to governing ethically.

We owe the people of Hawai'i an effective government that takes action.

If we accept our kuleana, follow the mandate we have been given, and take action rooted in our common values, we will show the people of our state that we are working for them, and that they can believe in their government again.

## **WHAT WE'VE DONE SO FAR**

Today is Day 49 of our Administration.

We've had a little more than 1,000 hours on the job, and we've already accomplished a great deal in this short time:

- We nominated a cabinet of qualified public servants, led by my Chief of Staff, Brooke Wilson.
- We showed respect to our public workers with administrative leave during the holiday season, a move which also supporting local spending and our small businesses.
- We've announced a new Educator Tax Credit, so that our teachers can receive a \$500 credit to support our students.
- We released \$50 million in Grants-in-Aid to directly support our non-profit and service providers for the critical work they do in our communities.
- We've proposed a Climate Impact Fund of \$100 million to fight climate change.
- We've announced the return of over 363 acres to the Hawaiian Homes Commission on Molokai for beneficiaries.
- We've signed an agreement with Haneda Airport to streamline travel and promote made in Hawai'i products and even improve our Daniel K. Inouye International Airport.
- We took immediate action to prevent disruption in health care service to our rural communities following the Hawai'i Life Flight tragedy — saving lives along the way.

This is an administration that attacks problems.

Now is the time to invest in our people and our communities.

With this in mind, I will identify several of the priorities our legislature and administration must act-on to move our Hawai'i forward.

## **BUDGET AND LEGISLATIVE PRIORITIES**

I take to heart the priorities the legislature advanced on opening day.

Our budget will reflect those priorities.

We are adding and emphasizing several high priority items related to **housing, homelessness, the cost of living, climate, environment, and mental health.**

Some important specific items in the financial plan include:

- Additional 'Ohana zones funds, which put homeless individuals into permanent housing to give them a chance to thrive.
- More resources for the Hawai'i State Loan Repayment Program to help pay off educational loans for primary care and behavioral health providers, so that Hawai'i remains the health state for generations to come — this investment will address our statewide healthcare provider shortage once-and-for-all.
- Over 60 new positions to expand nursing and medical programs across our UH campuses, with a special emphasis on behavioral health.
- The expansion of ICU and medical surgical units at Hilo Medical Center with \$50 million in CIP funds.
- The firm establishment of the Office of Wellness & Resilience within the Governor's Office, to focus on trauma informed care.
- A concerted push to protect our natural environment.
- Adding critical mental health resources for our schools and our communities.
- Supporting our state's priority to make pre-K universally available to Hawai'i's families, led by my Lieutenant Governor, whom I think some of you know.

Since my inauguration last month, I've been meeting with departments and agencies to insist we **break barriers and open doors** in the halls of government.

## **AFFORDABLE HOUSING**

The biggest factor affecting the cost of living in our state is affordable housing.

Safe, affordable, and stable housing is a human right, and it is more than just a place to live — it impacts our health, our identity, and sense of belonging.

Our housing crisis is not new.

All the way back on May 15, 1935, the Eighteenth Territorial Legislature created the Hawai'i Housing Authority, the first body in our islands' history dedicated to addressing the housing needs of our people.

Nearly nine decades later, we are still working to provide housing for all of our state.

When Governor Burns signed Act 105 into law on June 19, 1970, state government initiated housing and community development on a scale unprecedented in Hawai'i history.

We must now return to an era of bold action on housing.

We need a comprehensive approach to housing that addresses all segments of the population, from renters to low-to-moderate income individuals and families, to those experiencing homelessness.

That is why my administration is making housing our top priority, and committing to a comprehensive housing agenda.

Developing infrastructure for the state is a crucial component to adequate housing. We need to start from the ground up to make sure infrastructure is built so that affordable housing can be expedited.

We must also address and improve policies and processes that can impede the development of housing.

But we can't do this alone — we need a coordinated approach with the counties and stakeholders.

We also need to make big investments.

**That is why I am now proposing over 1 billion dollars of new investment in housing.**

These funds will be used to support major investments in the **Hawai'i Public Housing Authority** to renovate and upgrade public housing units, to provide state rental subsidies to low-income families, and to boost financing for more affordable housing units through the **Hawai'i Housing Finance and Development Corporation**.

We will also deliver on the legislature's commitment to fund the Department of Hawaiian Homelands — this is a priority for our administration.

We will propose a state match for a city affordable housing program, which will incentivize the development of more affordable housing units in urban Honolulu.

Mayor Blangiardi and I are already partnering on our approach to housing because the crisis is felt most intensely on O'ahu.

I will partner with all of our mayors, and regularly convene stakeholders so we can troubleshoot and streamline processes to speed up housing projects across the state.

We've got to cut the red tape now so we can provide the housing we need as soon as possible.

This will likely require emergency action.

## **HOMELESS COMMUNITIES**

We can't forget about our unhoused communities.

In the past, efforts to address homelessness have often emphasized enforcement and triage, pushing people out of one neighborhood and into another, moving people from street to shelter or temporary housing, with many finding themselves back where they started.

We *have* made progress at getting people into homes in recent years, but the number of people on the street (those experiencing “unsheltered” homelessness) continues to rise.

We need to shift our efforts from temporary fixes to permanent solutions.

We need houses immediately.

Homelessness should not be accepted as normal in our society.

It shouldn’t be normal to avert our eyes from the suffering of another human being.

We shouldn’t ever need to avoid our public places because homeless citizens have overwhelmed a park or street sidewalk.

We have come to accept the silent suffering of the thousands on our streets, in our parks, along our beaches, even here on the grounds of the State Capitol.

Our homeless crisis is a strain on our aloha and a threat to our spirit.

That is why we are committed to the development of twelve new Kauhale across our state, which are villages made-up of tiny homes.

Soon, Hawai’i Island will break ground on a new neighbor island Kauhale at the Kukuioia Emergency Shelter and Assessment Center in Kailua-Kona.

With sixty-four units, this new Kauhale will meet the housing, social, and healthcare needs of its future residents for years to come—all at a cost of approximately \$8,000 per unit, about \$500,000 in total.

It costs \$322,000 a year to support a person suffering with mental illness in the Hawai’i State Hospital.

For less than the cost of keeping two people in such a hospital for one year, we can build an entire community of low-cost, permanent housing.

Building Kauhale communities takes time, energy, planning, people, and passion.

It also takes conviction — a commitment to breaking from the status quo.

Twinkle Borge and Blanche McMillan — just two names among many — are showing that it takes the embrace of a village to help people find their way to a permanent home.

Our Kauhale Initiative will follow their example, creating low-footprint, low-cost housing, with a village environment designed for common support, healing, and progress.

As long as we are in a housing crisis, we will treat it like an emergency.

So I am taking action **NOW** to address the homeless crisis in all its forms.

In my hand is an **emergency proclamation** on homelessness.

**(GOV. GREEN SIGNS)**

It goes into effect today.

This emergency proclamation streamlines the construction process for housing, removing unnecessary red tape and enabling our community partners to tackle homelessness and the housing shortage head-on.

A copy of this proclamation will be delivered to your offices now.

**COST OF LIVING**

Two weeks ago, I testified in person before the House Finance Committee on the meaning of ALICE — Asset Limited, Income-Constrained, and Employed.

These are families struggling to afford basic household necessities such as childcare, healthcare, and transportation.

Families who must choose between buying food or medicine for their families — one paycheck or one health crisis away from slipping into poverty or facing eviction.

Our cost of living is the highest in the country at nearly twice the national average.

In Hawai'i, we should not teeter on the brink of poverty in order to provide for our 'ohana.

One job should enough to support a family.

Our plan takes the necessary steps to strengthen the health of ALICE families and communities.

The **Green Affordability Plan** cuts taxes and provides tax relief annually for the people that need it most.

If adopted in full by the legislature, it will provide over \$300 million in tax relief to the people who need it most.

This will help us get money into the pockets of working families so that they can purchase essential goods and services like food, medicine, and housing, which will in turn stimulate our economy.

Following the recommendations of the 2020 Tax Commission, we will reform our tax code to provide for a cost-of-living adjustment in response to recent inflationary pressures.

This plan provides universal tax relief by:



- Shifting Tax brackets to ensure that working families aren't burdened by inflation
- More than doubling the Standard Deduction from \$2,200 to \$5,000
- Doubling the personal exemption from \$1,144 to \$2,288

Under this plan, **every** income bracket in Hawai'i will be paying less state income tax.

This **directly** lowers Hawai'i's cost of living for every resident, by keeping more money in the pockets of every taxpayer.

Under this proposal, a family of four in every income bracket can anticipate nearly \$2,000 in savings due to reduced taxes, and lower income families will see even more savings.

For many, this is the equivalent of a full extra monthly paycheck every year.

In addition, the **Green Affordability Plan** intentionally rewards our families, caretakers, and educators by:

- Creating a new Educator Tax Credit of \$500 per teacher
- Providing our hardest-hit residents a Renters Credit of \$350
- Making the Food Excise Tax Credit available to a full 1/3 of taxpayers
- Expanding the Earned Income Tax Credit from 20% to 30% of the federal amount

We'll also take bold action to expand the **Child and Dependent Care Tax Credit**.

Under our proposal, working families paying for daycare, babysitters, summer camps, after school care, and adult daycare will be eligible for up to \$10,000 of support from the state.

This will provide a huge relief for working families and help reduce the choice that many face — whether to start a family or to invest in a career.

This plan will grow our economy, ensure healthier kupuna and keiki, and reduce the burden placed on family caretakers across our state.

Hawai'i families should not have to choose between a job and childcare, between rent and healthcare, between school supplies and dinner.

The Green Affordability Plan is essential relief from the economic burdens forcing too many families to leave our islands.

We thought long and hard about how resources are allocated and invested in state priorities.

When we invest in families, we invest in our future — and our return on investment is unlimited.

The people of Hawai'i deserve generational tax reform.

This reform will help us build a more equitable future, where our people can be more productive and more secure.

A future where residents are not one paycheck away from crisis.

A future where our priorities reflect our values, and we can all rise together as one 'ohana.

## OUR CLIMATE CRISIS

Tax relief provides immediate support to families across our state, but we also need to take action to protect our environment and our planet, which will have direct and long-term effects on our economy now and into the future.

This is why addressing climate change today is so important.

The impact of climate change is wide-ranging.

As an island state, climate change threatens our economy, culture, environment, and the sustainability of our way of life.

That's why I announced our commitment to providing 100 million dollars for a climate impact fund steered by the Climate Change Mitigation and Adaption Commission.

We are committed to pursuing climate change strategies that are equitable, culturally responsive and resilient.

This includes looking at the resiliency of the power grid, renewable energy, sustainable transportation, land use planning, sea level rise, health, natural and cultural resource impacts, and much more.

We have taken action and dedicated resources for these vital efforts — but we can't do it alone.

This fund will be open to contributions from anyone, whether locally or around the globe.

The revenues generated from visitor impact fees will fortify our efforts to protect Hawai'i's people and our way of life, and we will continue to take the impacts of climate change seriously.

## ECONOMIC DEVELOPMENT

Our administration will work to ensure that our economy:

- **Fosters prosperity** for our people
- **Creates opportunities** for our keiki
- **Protects the unique character of Hawai'i**, and

- **Strengthens and supports our shared values.**

We will not sit passively on the sidelines any longer when it comes to our economic development.

We will reach out beyond our shores and seek opportunities for our people.

In doing so, we will fulfill the promise that Governor Burns saw for our state, and in his words, Hawai'i "...will finally assume our rightful place in the Pacific sun."

We are the center of the Pacific — linking together Australia, New Zealand, Taiwan, Japan, Korea, and the broader United States.

In the coming years, we will reposition our economy to pursue global opportunities — retooling tourism, developing green technologies, and expanding our reach into international markets for our small businesses and our world-class professional sector.

We will begin to move our economy beyond tourism, become energy independent, and fulfill our potential as a economic and renewable energy leader in the Pacific.

We have been working with partners to convene Japanese and local businesses in key sectors for Hawai'i's economy, like the international wedding industry, which brings in over 20% of all visitors from Japan.

Welcoming more visitors like our Japanese neighbors means we can generate more revenue for local businesses while taking in fewer tourists overall.

We are also working on new plans to increase the export of locally-made and locally-grown products with our regional partners.

Despite being the 41-largest state by population, we rank last of all US states in overall economic exports — a statistic that needs to change.

Our economy is rife with untapped potential.

We will encourage our small business and professional services sectors to seek new markets beyond our islands.

We will strengthen Native Hawaiian-owned businesses, support Hawaiian agricultural food production like taro, breadfruit, sweet potatoes, and promote indigenous farming practices to keep our people more physically, mentally, and spiritually nourished.

Diversifying our crops and food systems will help us connect with the land and each other as we strive to grow what we eat and eat what we grow, deepening our connection to our 'āina.

By advocating for our local interests and through dialogue with our partners, we can create more opportunities for Hawai'i's people.

I am pleased to share that we are working on an initiative with federal, community, and international partners to pursue investments in cutting-edge hydrogen technologies for Hawai'i.

Through cooperation with partners in Japan, Australia, New Zealand, and the United States Congress, this technology can help stabilize the Pacific's energy resilience, promote our defense infrastructure, and reduce our reliance on fossil fuels.

To that end, we are preparing a historic application to potentially bring in over a billion dollars in federal and private sector investments to our state through a regional Hydrogen Hub.

The integration of hydrogen technology into our grid, along with the continued expansion of traditional renewable energy infrastructure, will give utilities, businesses, and local talent an international advantage, with the potential to turn our state into a regional energy exporter.

Through proactive efforts like these, Hawai'i is leading our Pacific neighbors into the future.

Not just through defense initiatives, but through greater economic, energy, and cultural integration.

And by leveraging our climate investments, our renewable energy and environmental expertise, and our unique geographic location, we can achieve even greater economic diversification.

## **MAJOR PROJECTS**

We also need to address two major projects — the stadium and a new correctional facility.

We all want a stadium, a place where we can be proud of our sports teams.

We want a stadium for our university, our families, and our broader community.

When the Aloha Stadium first opened in September 1975, the arena was a great triumph.

But times have changed, and so have the needs of Hawai'i's people.

For a project of this size, we must be thoughtful, thorough, and analytical.

We've already addressed the benefits of a public-private partnership in the future development of the Aloha Stadium, but such a partnership will only work if the state gets a fair deal.

We are carefully reviewing our options and we will go forward on the best deal available.

But we can't afford to wait — the longer the delay, the higher the cost.

The same goes for replacing the obsolete O'ahu Community Correctional Center.

To replace the OCCC, we need to build a modern, new correctional facility that is safe, secure, and humane, that has the capacity to provide rehabilitation, counseling, education, and job training opportunities to inmates, at the same time it protects the public.

Almost all of those convicted of non-violent crimes and held in our correctional facilities will one day return to our communities, and will be living alongside us as our neighbors.

We must move toward a restorative approach to justice rather than strictly punitive one.

As my administration reviewed the details of these projects, we saw that the previous legislature provided general fund monies to begin the construction of a new stadium and plan construction of the new jail.

For projects of this size, we need to work together and reach consensus — these two projects will continue to be debated in the coming legislative session.

Again, our goal will be to secure the best deal for the state and get these projects moving forward as quickly as possible.

## **ACCOUNTABLE GOVERNMENT**

Our state deserves transparent and accountable government.

Without good governance, without trust, without ethical standards, how can we truly serve the people and make progress for our state?

Corruption must be taken seriously and rooted out — the abuse of power is an affront to the people of Hawai'i.

Corruption is the basis of the widespread pessimism which people express openly across our state.

To be a public servant is to be responsible — it is a privilege to carry this responsibility.

I have directed our new Attorney General to take seriously corruption and ethics reform in state and county government.

I agree with the recommendations of the House Commission to Improve Standards of Conduct — it's time to "rebuild integrity and trust in government."

I look forward to working with the Legislature on taking this course of action, and I will sign any common-sense legislation that achieves meaningful ethics reform in state government.

We'll hold everyone in Hawai'i to the highest standards of ethics and accountability — and the federal government and its institutions are no exception.

We must hold the U.S. Navy accountable for the environmental disaster at Red Hill and shut it down.

Hawai'i must never again risk leaks or spills of any toxic substance into our water supply.

This means that any entity or organization that wants to operate in our state must fully understand, respect, and comply with the same absolute commitment — Hawai'i will not tolerate pollution of our water.

The current oversight of Red Hill is not strong enough.

Like so many citizens, I am not satisfied with last week's presentation from the Navy and the EPA.

The Navy needs to be one-hundred percent transparent and open with the public and their elected leaders.

Our administration intends to approach Red Hill like we dealt with the pandemic — with continual monitoring, analysis, and transparent updates to the public.

Enhanced oversight, frequent updates, and constant communication about the draining of the tanks, the quality of our water and progress to permanently close Red Hill will be led by our Deputy Director of Health in partnership with the Board of Water Supply's leadership.

Finally, I have tasked our Attorney General with addressing a chilling reality described in the Missing and Murdered Native Hawaiian Women and Girls Task Force's report, which finds that Native Hawaiian women and girls experience gender-based violence at rates disproportionate to the population.

The very recognition of this matter is a critical first step towards reckoning with the depth of this horrifying issue, and we are committed to providing the resources to end these crimes against Native Hawaiian women.

**When it comes to governance, sunlight, open windows, and plenty of fresh air are the best disinfectants.**

This is why I agree with the call from the Civil Beat Law Center and their partners — our government documents should be easily accessible and virtually cost-free to obtain.

We need to build trust — and to do that we must be open, transparent, and accountable to the people.

## **A CULTURE OF PUBLIC SERVICE**

Over the last few weeks, the Legislature has conducted important Informational Briefings with our new cabinet and nominees.

As we lean into our first Legislative session together, this administration comes to you in a spirit of full collaboration.

Our nominees are stepping forward in a time of great adversity, willing to dedicate themselves heart and soul, to the work for the people of Hawai'i.

Several critical members of our cabinet — and our government — will require confirmation by the Senate in the coming weeks.

Government in Hawai'i cannot function without a qualified and dedicated corps of public servants to administer and implement our mandates and priorities.

I extend my gratitude to our cabinet nominees who have stepped up to serve — leaders in their fields who are often willing to sacrifice time with their families and other professional opportunities for a life of public service.

I would especially like to congratulate and welcome our many new women and Native Hawaiian leaders.

They will smash the remaining glass ceilings in public service — and I am honored to sweep-up the debris they leave behind.

I have set a high standard for these nominees, and they are already meeting and exceeding my expectations.

The Senate must now vet and confirm them on their ability to do the job.

There are moments when nominees can become collateral damage in political disputes that often have nothing to do with their ability and commitment to get things done for the people of Hawai'i.

Chronic conflict and dysfunction among branches of government is not good for any of us — especially when it doesn't serve the interest of the people.

I nominated these leaders because they can get the job done, and I ask you to let them do just that.

**With due diligence, I ask that you confirm these nominees.**

**They will make Hawai'i proud.**

Like you, they are public servants, and I ask you to respect them as they step forward into these roles.

This is my team.

This is Hawai'i's team.

## **OUR DREAM AND OUR DESTINY**

Today we find ourselves at a crossroads — at a turning point in our history.

We face enormous challenges as a state, and the strain of these challenges is slowly eroding the hopes and the dreams of our people.

Thousands of families are voting with their feet, choosing to leave our islands in search of affordable housing and economic opportunity.

Thousands more live in our streets, suffering without help, without hope, despairing for a better tomorrow.

Climate change and industrial pollution threaten to permanently degrade our land and our water.

These are tragedies we must not stand by and witness idly without doing everything in our power to change.

Ultimately, we will not be judged by our words or our rhetoric — we will be judged by our actions and accomplishments.

How will we secure the health of our state?

How will we nurture the integrity of our people and culture?

How will we create the quality of life that we desire?

**We'll do it together — as one 'ohana united by our shared values.**

We must provide economic relief and restore hope to our people.

We must restore the health of our land and water.

We must redeem the promise of Hawai'i.

In pursuit of these goals, here and now we commit ourselves to four years of decisive action — making progress every day, and never giving up.

Hawai'i's people deserve ambitious goals, big dreams, and bold action.

"The less foresighted may label us dreamers for expressing what may be regarded as overly grandiose thoughts," Governor Burns said.



“But dream we must, as we must pursue these dreams with vigor and energy, if we are to attain the greatness that is so patently the destiny of Hawai‘i and its people.”

Governor Burns was **right**.

Hawai‘i’s destiny **IS** greatness — a greatness born of our shared values.

A greatness of family, community, and love — of rich diversity, tolerance, and unity.

Of commitment, responsibility, and hope.

Of reverence for our natural and cultural heritage and our shared history.

We are the inheritors of this dream and this destiny.

Together, we will fulfill our destiny.

Together, we will realize our dreams.

Together, we will live up to the promise of Hawai‘i.

Mahalo.

\*\*\*