

The Honorable Lourdes A. Leon Guerrero
Maga'hågan Guåhan
2020 STATE OF THE ISLAND ADDRESS
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Guam Congress Building
Hagåtña, Guam

Lieutenant Governor Josh Tenorio, Madame Speaker Tina Muña Barnes, Chief Justice Phillip Carbullido, Delegate Michael San Nicolas, members of the 35th Guam Legislature, Mayor Melissa Savares, Mayors and Vice Mayors, First Gentleman Jeff Cook, distinguished guests, friends and family:

A year ago, I walked into this chamber committed to Restoring Faith in Guam's Future.

I wanted to tackle old problems in new ways and return civic faith to those who had lost it.

The road toward this effort has not always been smooth, but our progress has been significant.

Our unemployment rate is down.
The labor participation rate is up.

And more than one thousand people have joined skilled apprenticeship programs since Josh and I came to office.

One hundred fifty two working families can now live in new affordable homes, compared to just five from the year before.

And instead of closing police and fire stations, we've added nearly 100 new officers to the Guam Police Department, the Department of Corrections, and the Guam Customs & Quarantine Agency.

Last year I reported that we returned money that should have never been taken from our E-911 system.

And tonight I can report that, thanks to Lieutenant Governor Josh Tenorio's leadership, we avoided the past practice of having to return millions in federal grant money simply because we are now spending it more efficiently.

Together, we also turned the page on other problems of the past.

We ended costly federal receiverships at the landfill and the Guam Behavioral Health and Wellness Center.

By nearly every unbiased measure, our government is operating more efficiently.

We are paying down more debt and working with less General Fund revenues than our predecessors.

Tax refunds were paid before the federal court's deadline. Cost of Living Allowances were paid early, and we now get a better return on our Medicaid matching dollars because we were able to shrink Guam's local match requirement by 62 percent.

Contrary to a small chorus of cynics, we've improved our cash flow, increased tax collections beyond what this body projected, and our Fiscal Year 2021 budget proposes a General Fund \$19 million less than what was spent in 2018.

In our budget proposal, I included provisions for a Rainy Day Fund, requiring a set aside of no less than 2 percent of the total revenues projected. This provision will help us to protect Guam's future no matter how rough our economic seas.

We've also gone after tax evaders, referring individual cases to the Attorney General, totaling \$5.9 million in the last year alone. And we will continue.

We've cut taxes for our small businesses, saved millions on capital improvement projects because we refinanced debt in more responsible ways, secured millions in new federal spending for Guam, and adopted policies that will reduce, and eventually eliminate, this government's deficit.

We have quietly, but effectively, stabilized our government's finances. We have done what we promised we would do.

And tonight, I am proud to report that our island *is stronger* than it was just one year ago.

But to fully restore faith in our island's future, Guam must become even stronger.

Guam has always understood that what touches the larger world ripples throughout our island community as well.

Whether it was a world at war, trade disputes between rival nations, or the outbreak of diseases like bird flu, SARS, dengue, or coronavirus—

Guam learned...

Guam prepared...

Guam came together...

And Guam has always weathered the storm.

To date, Guam remains coronavirus free, and our dengue fever outbreak is over.

From day one, our pandemic response plan has worked to keep Guam safe AND open to the world.

This means that we are working with the Centers for Disease Control and public health officials to screen visitors from impacted countries before they board planes

for Guam, and screen potentially symptomatic passengers before they de-plane here.

It means that we take clear steps to limit the risk of transmission whenever possible.

That is why I ask every organization holding large international events on Guam to join in our screening efforts—adding yet another defensive ring around our island.

As we protect against the coronavirus, we also know that fear can impact our economy.

With nearly one-third of private sector jobs directly or indirectly tied to tourism, know this:

Guam is doing all it can to remain virus free.

Guam is safe.

And we are ready for your business.

The latest available data indicates that total tourism numbers year to date are still in the black, that federal and military spending are at record levels, and that the fundamentals of our economy are strong.

While we remain confident, my fiscal team is keeping a close watch on the situation—preparing for all possibilities and monitoring the economic impacts of this new threat. But we know that minimum wage workers are not a part of that threat.

They should not be seen as “a primary overhead expense” but as an investment in our greatest asset—our people.

Our minimum wage is set to increase by 50 cents next week—and it will.

But no change in wages matters if Guam’s families do not feel safe in their homes or on our streets.

The machete attack that threatened our neighbors in Mangilao last June could have happened to any of us, and it proves that we must stem the rising tide of crime on our island. At public safety town hall meetings, you asked for action—and we heard you.

The result is our Safer Guam Initiative—which calls for aggressively recruiting 100 new police officers, installing traffic cameras, regulating alcohol access, stopping drugs at our borders, ending plea deals without hearing the voices of victims, and denying parole for violent or sex-related offenders. These actions send a clear message: Enough is enough.

I have directed all of our law enforcement agencies to work together, combining their resources, talents, and intelligence in an effort to stamp out violent crime wherever it is.

Within one day of a woman being assaulted with a knife in Sinajana, the perpetrator was in handcuffs and off our streets. To every man and woman whose call to service is the protection of others, whose families must wait and pray for those they love to return home safely, I say thank you.

I want to thank Senators Joe San Agustin and Pedro Terlaje for providing me with budgetary flexibility to invest in police officers again.

I know their brothers and sisters in blue thank them as well.

Senators, the Safer Guam Initiative is more than words on a page.

It is designed to increase police presence on our streets and near our homes. It is meant to protect against drugs at our borders, end the revolving door of crime, and make parents responsible for the criminal acts of their children.

This package of legislative actions is vital to public safety. It needs your immediate attention.

Give these bills a hearing, put them on the floor, and vote on them, so that our people can feel safe again.

Crime isn't always about evil in the hearts of others, but the addiction poisoning our communities and homes.

Fighting that poison, DOC, the Department of Youth Affairs, and the judiciary have developed the Guam Immediate Violation Enforcement program, or GIVE. This program will launch in the coming weeks to immediately provide treatment in a prison setting to drug re-offenders, breaking the chains of addiction.

And we are doing more. In addition to reopening a drug detox unit at Guam Behavioral Health and Wellness Center in a matter of weeks, we will break ground on a first-ever Women's Drug Addiction Center in March. This facility is focused on mothers because we know that the primary reason women leave treatment is to be with their children. This center won't force them to make a choice between treatment and motherhood. It will help sixty women a year with residential treatment and hundreds more with outpatient services.

We are also committed to keeping our children safe in their schools. This is already underway with active student assessments, regular police presence, new intercoms on every campus, and the coming installation of surveillance cameras in all public schools.

But schools are more than facilities with four walls and a roof—they are led by women and men who have answered yet another call to service.

That is why our Fiscal Year 2021 Budget includes funding for the first phase of competitive salary adjustments—starting with teachers and nurses.

Let me be clear: I will veto any budget bill that removes this down payment on the promise we made.

I know Vice Speaker Telena Nelson and Senator Kelly Marsh Taitano—educators themselves—will guard this provision on the floor.

And we made one more promise to our students.

Last year, I transferred \$1.1 million to fund the next phase in the reconstruction of Simon Sanchez High School, putting this project back on track.

Superintendent Fernandez, you are the captain of this ship. And we both can agree that the Sharks have waited far too long for a 21st century Simon Sanchez High School.

I know that sometimes students feel as if those who lead don't listen. We know they are struggling with important issues. In the days ahead I will convene "The Governor's Youth Advisory Council." This Council—comprised of high school and college-aged students—will give voice to these issues from their standpoint and have direct access to me and to our administration. Students, we are listening.

As we hear our students and rebuild Simon Sanchez, we are also addressing other vital public buildings that need attention.

After decades of neglect and decay, the Public Health main facility succumbed to an electrical fire. And despite millions in new debt from one legislature to the next—GMH is being held together by the sheer hard work and imagination of its facility staff.

I don't need a nursing degree to tell you that band aids don't fix bullet holes, but year after year, that is what GMH and Public Health are presented with.

Tonight, after meeting with federal officials, I can tell you that we have several public and private financing options for a co-located new GMH and public health facility.

This will take planning, and the option we choose will be driven by our government's financial health, the amount that needs to be raised, our partnerships with the private sector, and the comprehensiveness of the plan we propose.

The first step in drawing up that plan was an in-depth analysis of the current hospital from the U.S. Army Corps of Engineers.

While their final report is due shortly, we know that repairs to GMH alone will cost between \$20 million to \$30 million.

This need is my central priority.

But a hospital without health insurance is like a boat on dry land. We must also prioritize accessible, available, and affordable health insurance, not just for the fortunate, or for those who can qualify for it, but healthcare for all—as a human right.

By some estimates, the Government of Guam currently spends around \$330 million in GMH, Medicaid, Public Health, and the GovGuam health insurance plan.

Yet every day, people teeter on the edge of bankruptcy, praying that one illness doesn't break them or their families.

On an island ravaged by diabetes, patients are being forced to ration their insulin because the price of this lifeline on which so many depend has increased by an average of 55 percent since 2014.

On an island rocked by too much cancer, treatment can cost over \$200,000 a year.

Tonight, I call on this body and on our community to start the task of ensuring universal health coverage on Guam through a system of public self-insurance.

Coverage would be provided through existing provider networks and will offer comprehensive health services.

The funding for this Self Insurance Plan will require us to pool every dollar the government spends on healthcare.

This will become the primary focus of my policy team in the coming year, and I ask every one of you to join them in their work. It will require study, private sector ingenuity, and community courage, but together we will get it done.

Like the hospital and public health, our correctional facilities also demand our immediate attention. We have reached out to both the National Institute of Corrections and the Federal Bureau of Prisons for technical assistance. As we address immediate DOC fixes in partnership with our federal counterparts, I want to acknowledge just how far we have come.

We recruited over 40 new officers, with 20 more on the way, altered shift schedules to limit burnout, stabilized management, and enacted new laws that will limit contraband and augment our number of staff officers.

Restoring faith in Guam's future also requires us to accept the reality that no government can have a program for every problem it faces.

Private sector innovation must be the catalyst for new economic growth. Our government processes must embrace technology and profit from our partnerships.

We started by creating the Governor's Task Force to Reform Government Permitting Procedures and address the deficiencies of the One Stop Center—which failed to live up to its name.

Implementing the task force's recommendations, we aligned agency hours, we are digitizing most applications, we've established a customer feedback program, and made F.A.Q.s readily available online. Known today as the Business License and Permit Center, we want to be loud and clear: We mean business. *Efficient* business.

But to build the businesses of tomorrow, you have to envision what can lie ahead.

Senators, you did that.

This legislature recognized the Guam Power Authority's plan to make renewable energy 25 percent of its portfolio a full 13 years before Guam law required it—and so you asked for more.

By statutorily calling on GPA to make 50 percent of the energy it produces renewable by 2035, you invited millions of dollars in new business investment, you will create a new skilled labor force, and you will advance the technology which has already brought solar energy into island homes.

Senator Amanda Shelton, I am thankful for your leadership on this issue.

But we must look ahead even further.

As with any business case, the difference between the page and the pavement is where industries are born and good paying jobs are created.

That is why Guam's Zero Waste initiative, voluntarily headed by First Gentleman Jeff Cook, has so much potential.

Two proposed demonstration projects would literally turn waste into wealth for Guam: turning GWA biosolid waste into potting soil on an industrial scale, and a recycled glass refining center.

These projects will save ratepayers money, lengthen the use of our existing landfill, meet strict safety standards, and create new private sector jobs for Guam.

Data we already have on paper can be tested in the real world, allowing private sector partners to create new jobs and lower costs with no burden to our taxpayers.

But I must stress that our responsibility as the stewards of our island environment goes beyond any dollar figure—it is a moral obligation.

Climate change is no longer a political discussion. It's not in the distant future—it's right here, right now.

It is in the rising sea levels that have made too many of our island neighbors climate change refugees. It is in the bleached, dying coral reefs surrounding our island that result in less fish to eat, and less protection against destructive storm surges. It is in the erosion damaging our beaches and flooding our roads.

We recently launched the Guam Green Growth Working Group as part of our commitment to addressing the 17 United Nations goals ranging from no poverty to climate action, in an effort to build a more sustainable island.

Pursuing green initiatives means also addressing long standing issues that have plagued our island for decades.

Illegal dumping is abhorrent to all that we are trying to achieve for our environment. Every action we take for the sake of sustainability is for nothing if we cannot stop people from throwing their trash on our roadsides and in our jungles. Our mayors cannot clean up these areas by themselves.

During every town hall meeting, illegal dumping was a recurring theme. You made it clear—you are tired of people's garbage littering our streets and beaches. And so am I.

I understand that some families may not be able to pay the cost of trash collection. But this doesn't mean trash should be dumped in plain sight. Senators, I will work with you to establish a lifeline rate for struggling families, making trash disposal affordable for everyone. There is no excuse to trash Guam!

Another eyesore we need to contend with is the number of abandoned cars that ruin the beauty of our island. I have instructed the Guam Environmental Protection Agency to work with mayors and relevant stakeholders to deliver on a plan for the removal of these vehicles.

As part of this plan, we are working with the Chamorro Land Trust Commission and the Office of Homeland Security to identify three locations in the north, central, and south to house these vehicles until they can be processed for recycling.

These designated sites will also be used by FEMA after natural disasters to store green waste.

Senator Sabina Perez, I admire your commitment to the environment and together, we can rise to the challenge.

We also find that restoring faith in our future can mean going back to basics.

On my order, the Guam Economic Development Authority has refocused its resources toward our farmers through loans and grants. And it has offered farmers technical assistance to navigate government procurement and bring local produce to market.

Now, some of that local produce is being served at Okkodo High School. This seed is small, but we will nurture it until every school on Guam serves produce grown by our people.

I am thankful to the Guam Department of Education for its willingness to work with us, to our farmers for having faith in us, and to GEDA for bringing this project to fruition.

Senator Clynt Ridgell, I know how important food security and agriculture are to you. Thank you for supporting our work.

My father was a banker but like nearly every one of his generation, he was first a farmer.

He would tell me it is one of the toughest skilled labor jobs in the world—and we should treat it that way.

Under my direction, GEDA and the Guam Department of Labor are working for farmers to take advantage of the Guam Registered Apprenticeship Program—expanding it to agriculture and aquaculture—just as we have done for skilled trades in health care delivery, hospitality, ship repair, and construction.

Without the work of Senator Regine Biscoe Lee, that program would have expired. Without the relentless competence of Guam Community College's Dr. Mary Okada, this program would not be the lighthouse of hope it has become for so many.

We must also recognize that we are the guardians of a blue continent.

Our wealth comes from our waters, and with a little work, they can be a center of prosperity for our people.

Researchers at the University of Guam have developed pathogen-free shrimp which is now being sold for local consumption and exported through a private partnership. This single venture could unlock a multimillion dollar market. That's no small fish to fry.

As we build new markets and get more out of old ones, Guam's Port remains the lynchpin of our progress. To keep pace with our growing economy, the Port is modernizing—vessel turn-around times are at record levels—offloading more cargo quicker than ever before.

But with the influx of more cargo comes the need to protect our borders from criminal activity. That is why the Port secured \$800,000 from the Office of Economic Adjustment—laying the foundation for the screening of all cargo reaching our shores. This prevents invasive species from threatening our environment and helps keep drugs off of our streets.

Restoring our faith in Guam's future also means that we look out for those living on the edge of our economy.

We are *taotao tano*, people of the land. It's our livelihood, and our spiritual connection to our ancestors. But not everyone can afford land or a home to build on it—not even those who work multiple jobs.

The Chamorro Land Trust Commission holds the largest inventory of land throughout the government. But some have held viable leases for decades without the resources to run water and sewer lines, electricity, or telephone poles.

To help these families, I will reassert our designation as a substantially underserved trust area with USDA.

This way, we can leverage grant and loan programs to help finance the infrastructure CLTC leaseholders need.

To achieve the goal of finally getting basic infrastructure, we must close the book on federal litigation filed against the CLTC. The proposed settlement protects all current leaseholders and expands who may qualify and how.

I urge this body to act, so that we can steer the CLTC and its recipients toward better uses of their land.

Senator Therese Terlaje, I—and the people of Guam—are counting on you.

The CLTC is just one way we are helping working families make homeownership achievable.

In addition to the 152 new affordable homes I discussed earlier, the Guam Housing Corporation helped 70 first-time homeowners start their lives—a 50 percent increase compared to 2018.

We must also be concerned with those unable to lift themselves up. Without a safe, decent, and affordable place to live, it is nearly impossible to achieve good health, educational success, or reach economic potential.

Nearly 1,000 adults and children on our island are homeless, and over half of them reside in Dededo and Yigo.

To address homelessness, we will launch Project Atof, a comprehensive plan to not only connect homeless individuals with the services they need, but to tackle the root cause of homelessness itself.

I will sign an Executive Order reviving an interagency council on homelessness, tasking relevant departments and divisions to coordinate the services and resources most needed by our homeless population.

We have also sought Department of the Interior funding for a new homeless facility—one that accounts for basic screening, staff, long-term operational costs, and basic safety.

We are purchasing the Old Legislature building lease to house agencies that service veterans, people with disabilities, and those struggling to find jobs—some of the populations most at risk for homelessness.

By creating a center for these services, our goal isn't just shelter, it's independence.

Every time a veteran takes his or her life because of PTSD; every time a veteran falls into homelessness or addiction, it is because we failed that veteran as a society.

I won't claim to have a magic wand to wave away these problems. But I can say that our veterans' stories are on my lips whenever I speak to the White House; whenever I meet with the U.S. Department of Veterans Affairs; or speak to generals, admirals, and congressmen. For every veteran here at home and for our active duty servicemen and women who will become veterans—we must do more, and my heart will not rest until we do.

I will continue to advocate for decreased claim review periods and quicker access to services for our vets.

I am also pressing for the use of under-utilized Department of Defense facilities for our veterans regardless of their years of service. And yes, that includes medical care at the Naval Hospital.

Veterans, your concerns are being heard. And we thank you for your service.

Earlier this month, I appeared before the U.S. House Natural Resources Committee to testify on the proposed FY 2021 budget request for the Department of the Interior's Office of Insular Affairs.

Each time I meet with our federal counterparts, I highlight the need for territorial parity in access to health care. This means the removal of unfair Medicaid matching rates or caps.

Through continued advocacy by the territories, we were heard, and the U.S. Congress passed legislation that raised the Medicaid caps for all U.S. territories for the next two years. We went from a cap of \$18 million to \$127 million.

This means our local matching dollars return more Medicaid revenue, and our most vulnerable families will benefit from it.

I ask that this body maintain the funding levels I submitted for these healthcare programs in my Executive Budget Request.

Other federal policies will also place great demand on our coffers and our community.

The construction phase of the Guam buildup is about 10 percent complete, with another \$8 billion to be spent on construction activity over the next 7 years.

A defining factor in the buildup's pace is its demand for skilled labor. We have gone from 100 percent denial of H-2 labor certifications to 100 percent approval of those certifications under our "One Guam" umbrella strategy.

We have made clear to the Department of Defense that what happens outside the fence on Guam affects what happens inside the fence—and our contention that Guam be treated uniquely given our strategic importance is working.

Moreover, because our partnership with the Department of Defense is founded on mutual benefit, Guam has begun the process necessary to return 3,000 acres of our lands in Northern and Central Guam.

As we champion better federal policy for Guam, seek the return of excess federal lands, and seek a military buildup that is beneficial to Guam’s residents, we also need to address the challenges we face with the Compacts of Free Association.

While the compacts help to offset China’s growing influence in the Western Pacific and preserve national security interests, Guam is left to fund the consequences of unmitigated migration. Our current costs are estimated to be at \$150 million per year.

As the Compact renegotiations draw near, I will continue to advocate for several items: reliable screening, which means preventing known criminals from entering Guam; full reimbursement of Compact costs; and greater aid to COFA jurisdictions, so they can employ their citizens in the land of their birth.

While Guam must be a place of opportunity for everyone—regardless of their race or creed—there can be no reward without accountability. Those who habitually avoid responsibility, those who do not seek to better themselves through education, violate the spirit of the Compact Agreements. And those who commit crimes against our community will be subject to deportation.

Delegate San Nicolas, the U.S. State Department has been clear with me: Guam will have no place at the negotiation table. To quote official State correspondence: “The Department encourages you to communicate recommendations from Guam via your Congressional representative.”

The changes we win or lose in this new compact agreement will be left to you and your colleagues in Congress. This work requires a One Guam approach, and I will work with you for the benefit of our people.

To restore faith in Guam's future, we must not only write Guam's destiny in a new decade, we must also turn the page on the injustices of the past.

This means that we must resolve our long struggle for political self-determination. While we did not choose a federal court battle, we have done everything we can to win it—taking this historic matter to the Supreme Court of the United States—just as Josh and I promised.

While we await the next step in this process, our people should rest easy. We are represented by the largest law firm in the country, in the highest court in the land—and at no cost to our taxpayers.

As we work toward justice in the federal court system, we are glad to know we gave our beloved *manamko* ' some small measure of justice here at home.

While the work of Guam's former delegates won federal recognition for our greatest generation, Madame Speaker Tina Muña Barnes and Senator Wil Castro, you recognized that justice delayed for our war survivors is justice denied. By your effort and with the help of your colleagues, more than 630 of our *manamko* ' have lived to see checks they never thought would come.

While no amount of money can atone for the horrors our precious elders experienced, it is recognition long overdue.

With the passage of H.R. 1365 in the Senate, we hope to close this chapter in our history.

Tonight, we have shared our vision to restore Guam's future, address global threats, expand our economy, keep us safe, help the vulnerable, and make us strong in a changing and challenging world. When the music stops playing and the lights

go out, long after this night is over, our children and grandchildren will look back on what we said and ask “Did you do what you promised?”

Our answer must be: “YES, we did.”

Un dankulo na si Yu'os ma'åse, and God bless Guam.