

The Honorable Lourdes A. Leon Guerrero
Maga'hågan Guåhan
2024 State of the Island Address
Guam Congress Building
March 05, 2024 at 6:30 p.m.

INTRODUCTION

Lieutenant Governor Josh Tenorio, Madame Speaker Therese Terlaje, Chief Justice Robert Torres, Delegate Jim Moylan, members of the Diplomatic Corp, senators of the 37th Guam Legislature, President of the Mayor's Council Jesse Alig, Rear Admiral Huffman, Mayors and Vice Mayors, First Gentleman Jeff Cook, distinguished guests, family, friends—and most importantly... To the people of Guam.

Six years ago, Josh and I asked you to join us in a movement for change.

And...predictably, the old voices of doubt and skepticism rose to meet us...

They said:

That our goals were too ambitious...

That our plans were too optimistic...

And that our deepest hopes for Guam's future were too far beyond our reach...

They said our plan to pay war reparations to Guam's Greatest Generation would never work...
—and yet our Administration delivered...

They challenged the way we prioritized federal funds within my discretion—never fully realizing that approximately \$200 million went to help individuals, small businesses, and the public at large...

And when I promised that shared sacrifice and hard choices would see Guam through a global pandemic—they said our political demise was guaranteed...

But... those of us who believed in Guam pushed forward and worked anyway...

And, with thanks to the People of Guam—the Leon Guerrero-Tenorio Administration remains steadfast on your behalf.

Despite a world still wounded by the pandemic, a global battle with the tyranny of inflation, and our first major typhoon in over 20 years, we recovered with an economy that grows stronger every day...

We delivered five consecutive fiscal years of General Fund surpluses...

Tax refunds are out in an average of three weeks...

Our Rainy Day account has real cash in it... unemployment is down to 4.1%, private sector weekly wages are up 11%, nearly 2,000 private sector jobs were created in the last year alone—and more people—not less are participating in the job market compared to a year before...

INVESTED IN YOU

We know things are nowhere near perfect...

We still face challenges...

We still contend with problems that have plagued us for years...

And change never happens as quickly as some think it magically should...

But... teachers, nurses, law enforcement officers, government attorneys, and hardworking public sector employees—all have a little more in their pockets because we made valuing their work a priority...

We've made it possible for a single mom, bone tired after work and school... to rest assured that she can keep her goals in sight—knowing that our childcare program will keep her kids in a daycare she can trust...

In fact, to date, we have invested a historic \$70 million to improve the quality of childcare, to help childcare businesses expand, and to increase the availability of that childcare for more working families...

Through our innovative Prugraman Pinilan, we not only invested in traditional child care, we expanded that investment to relative care—paying qualified relatives to care for the kids in their families.

Moreover...

We've made workforce investments that allow a young person who didn't quite get the hang of world history or trigonometry to now bring home a decent income as a certified HVAC technician because of our partnerships with the Guam Registered Apprenticeship Program, the GCA Trades Academy, and GCC...

We've built a public safety system so that a grandfather experiencing chest pains late at night can finally call a state-of-the-art 911 system that saves lives.

And...for the first time, we've trained nearly two dozen certified paramedics so that when you do call 911, your loved one can receive life-saving care in the field... something I have wanted for Guam since I returned home in 1980.

Madame Speaker, thanks to the unrelenting faith of our people... Thanks to those who believe in Guam... I am proud to report... that the State of our Island is strong, and our future is bright.

Without question, I address you tonight at a time of great opportunity and challenge...

FISCAL RESPONSIBILITY

For the first time in 22 years, Guam's general obligation bonds are investment grade. This means that if we stay the course, our future investments in schools, roads, vital infrastructure, and, yes - a hospital - will cost taxpayers less.

It also means that the world's best financial minds—people with years of experience and billions of dollars on the line—reviewed the facts, reconciled the numbers, and they, too, believe in the progress achieved under our financial management...

To my Fiscal Team, the men and women who help me keep a steady hand on the ship of state: You have been met on this floor by unwarranted criticism and disrespect unbecoming of our island's culture...

You've been wrongly accused of not being transparent despite the growing number of mandated financial reports sent to this body monthly...

But you kept the faith. You did your work. And we are better for it...

Now, we know a government that does better financially... only means something if the people we serve can:

Find more economic opportunity...

Feel safe in their homes...

And live secure knowing that we can care for them in sickness and age.

That is what I want to focus on with you tonight... how we can—by our mutual effort—make this island paradise a place where everyone can successfully raise a family... and we can ensure that those who struggle are never left behind...

ATTORNEY GENERAL

I know that sometimes government can be adversarial, and the system of checks and balances by which we operate can make us feel like we are governed more by jungle rules than the rule of law...

Last week was one of those times...

With no warning to the impacted agencies, vendors, or taxpayers, the Attorney General, pending guidance by the courts, withdrew from his Organic Act responsibility to represent nearly two dozen GovGuam agencies...

Left unresolved, critical departments will lack the basic legal guidance they need to operate...

No legal help for the home of the Sharks still waiting on a construction management contract for a new Simon Sanchez High School...

No legal advice on the issuance of complex development permits...

Potentially no contracts issued for lifesaving equipment, drugs, adult daycare, or behavioral health intake services...

And millions in federal grants potentially lost or at risk— simply because Guam’s Chief Legal Officer - our AG - has chosen to abandon his Organic Act Responsibility.

This cannot be what prior legislators or the Organic Act intended.

This must be resolved quickly...if not in the courts, then on this floor...

We must all work together to ensure that one public official’s decision not to do his job does not keep the rest of us from doing ours...

People will suffer from your actions, Mr. AG.

Senators, I want you to know that my first call after receiving the AG’s letter last week was to Speaker Terlaje. We both agreed that this paralyzing move by the Attorney General’s Office would be disastrous for our people.

Madame Speaker, I am counting on your leadership in this body to help us resolve this serious issue...

To ensure that progress in the lives of working people, in business, and the economy moves forward despite any and all attempts to destabilize it.

As tourism heats around the world and here at home, we acknowledge that in the next year alone, DOD is expected to award over \$2 billion in Guam as Congress deliberates the appropriations bill.

But managing this level of growth to the benefit of the people of Guam and the security of the nation demands coordination at the highest level...

Thanks to my recent meeting with DoD Deputy Secretary Kathleen Hicks, Guam’s need for infrastructure support in and outside the fence has been heard at the highest levels.

To that end ... Undersecretary of the Navy Eric Raven has been appointed the first-ever Civilian Senior Defense Official for Guam...

This grants us streamlined access to all branches of service, ensuring coordinated efforts and involvement in key decisions with regard to the buildup and other federal issues...

WORKFORCE DEVELOPMENT

As federal investments surge...

More than ever, the competition for skilled employees is fierce, and our best employers are willing to train anyone with a good attitude and a willingness to work hard.

We can show you new ladders out of poverty and into economic opportunity. But only you can climb them.

Thanks to the work of the Department of Labor, we more than doubled the number of participants in the Guam Registered Apprenticeship Program in 2023 and even more growth is expected in the years to come.

The agency also launched the Year-Round In-School Youth Program for high school Juniors and Seniors, providing students with paid summer internship opportunities within the private sector.

Prior to their summer internships, students participate in workshops during scheduled breaks to prepare them for work. This program has already seen success. An average of 80 to 100 students participate per session, and some employers have directly hired their former interns.

And we have gone even further...

UOG's School of Engineering, the Margaret Perez Hattori-Uchima School of Health Nursing Annex, and the Water and Environmental Research Institute are expected to be completed in 2025...allowing us to produce more home-grown engineers, more nurses, and local environmental experts.

ECONOMIC DIVERSIFICATION

To fan the spark of entrepreneurship and strengthen the results of small business startups, we stood behind incubator programs like GUMA, which experienced a standout year in 2023 and helped over 70 small businesses bring their products to market.

Our administration also worked aggressively to deliver results on the promise of additive manufacturing and data hub management on Guam. Recently DoD agreed to a multi-million dollar partnership focused on additive manufacturing for ship and submarine parts...our vision is becoming a reality for Guam, bringing more economic opportunities for our people...

In partnership with NAVFAC and the Colorado School of Mines, we have begun a three-phase process to meet operational goals and build the skills to make this industry sustainable here in our corner of the Pacific.

In another major leap forward, Google has partnered with Guam to lay sun sea cables which will strengthen our connection to the internet and make us a vital data node in this region...connecting the northern and central Pacific to Asia and to the U.S. mainland. This innovative technology will open up partnership opportunities for our local businesses...

But no economy can move confidently into the future if our families and businesses lack reliable power in their homes and places of work.

PROCUREMENT OF RELIABLE POWER

At present, Guam can generate about 272 megawatts of electricity. According to GPA this is enough to meet today's needs because demand is lower earlier in the year when things are cooler.

But as we approach Summer and demand increases, we will be left with just 12 megawatts of additional generation capacity—risking load shedding when we can least afford it.

To address this need before it arises, GPA issued Emergency Procurement to provide additional megawatts of generation capacity in time for the summer...

We are here in large part because again and again, losing bidders protested vital procurements, often without merit, in order to force automatic stays on projects until they were years out of date or could no longer be accomplished.

I urge this body to strongly reconsider the automatic stay provision in our procurement code - especially for projects essential to our economy, safety, and infrastructure.

Procurements should be stayed on the basis of legal merit - not simply because someone lost a bid. And specific timelines should be set for the resolution of protests. We cannot have a one-size-fits-all approach to the procurement stay process...

NEW FINANCIAL MANAGEMENT INFORMATION SYSTEM

While we do our part to modernize our power system, we must also modernize critical technology government-wide.

For over 30 years, Governors of both parties have stood before you, promising the deployment of a new Financial Management Information System.

Tonight, I can report that we have delivered a new FMIS...

As with any major change, we are sure to encounter some bumps in the road...and our personnel will need continuous training in order to realize the full benefits of this new system...

It will provide our taxpayers with faster processing of financial data, increased reliability, and increased transparency.

Madame Speaker, clearly Guam can accomplish so much more with partnership and cooperation...

HOSPITAL/MEDICAL COMPLEX

Last year, I stood in this chamber asking you to authorize a long-term lease for the construction of a new hospital and medical complex at Eagles Field.

To oppose that effort, some members of this chamber relied on the false claim that Eagles Field could—or would—be returned to its original landowners—even when federal law explicitly prevented that outcome.

One year later, Eagles Field remains in the federal land inventory, federal law remains unchanged, and original landowners are still waiting on that promise...

Shortly after time lapsed for this body to authorize the lease of Eagles Field, I proposed a second site for our medical complex...Eda Agaga...

And without missing a beat, the same corners of opposition and divide once again said change was unnecessary, or this new site wouldn't work.

Our hospital challenges must be looked at in two ways: the actual facility, and management and operations.

Some of you have said we cannot build a new hospital until we fix the current hospital. Building a new hospital IS fixing the current hospital. We are well aware that GMH is nearing the end of its life span - no matter how much money we pour into it - and we *must* build a new facility.

The delay of course, is in the selection of the site. Bill 185, barely passed by this body, would put a new hospital on a site that will not and cannot meet the expanded healthcare needs of our future, and it will come back to haunt us.

It is a site that sits on a seismic faultline, which creates a financial investment risk acknowledged by our bond underwriters and would greatly prohibit and restrict access to the capital market.

Lastly, this bill denies our people any other potential site location by mandating that a hospital can only be built in Tamuning. Rarely if ever, in my lifetime has a legislature passed a statute so restrictive regarding the construction of such a vital facility.

Senators, I can assure you - this disagreement is not about me or that it has to be my way or no way. It is about my conclusion as Governor, after input, study, research, and exploration of other sites, that YPAO is not the right location.

We are planning in the interest of an improved healthcare system for our people 5, 10, 20 years from now. With all of the opportunities for economic growth that I just outlined, it is simply short-sighted and unrealistic to build a hospital in a place where there is no room for the future

expansion of medical services our people will surely need. My strong conviction and my sincerest opinion is that we need to build a hospital with forward-thinking – locating it in a space that can house a Medical Center and accommodate the growth that will happen - and in fact, is already happening - on our island. It is literally our job to plan for Guam’s future healthcare needs - and yes, to manage the current ones...

With regard to GMH’s current management and operational challenges, we are in active discussions with off-island experts to assess operations, including the financial system and revenue cycle. Lillian recognizes the need to partner with private healthcare experts to address our healthcare personnel shortages and the financial stability of the hospital.

While GMH’s issues are not unique... healthcare is about more than just hospitals...

SELF-INSURED GOVGUAM

Last year, I announced a major change to our health insurance landscape...

To contain the rising cost of health insurance, save taxpayer dollars, and improve member outcomes... the government of Guam would self-insure medical, dental, and pharmaceutical coverage...

If you read the paper after that announcement or listened to talk radio, you might have thought the sky was falling... or even imagined the end of days...

But here we are...

The sky is intact...

The government is completely self-insured...

We are containing the cost of premiums...

Doctors are still seeing patients, and they are being paid to provide care...

And pharmacists are dispensing medication and making a living—proving once again that betting against Guam and our people is a risky proposition...

We’ve made healthcare progress in other ways as well.

BEHAVIORAL HEALTH

To address our island’s mental health needs... Guam Behavioral Health and Wellness Center’s innovative policies have led to partnerships with key stakeholders like the University of New Mexico and WICHE to establish a Psychiatric Medical Residency program and a clinical psychology internship program, with the end goal of being able to hire more psychiatrists and psychologists.

If you have a child with autism, Behavioral Health is partnering with community organizations to provide evidence-based parent training and Applied Behavioral Analysis services for children with autism spectrum disorders. With Child Care Development Funds, we are expanding our ability to provide these valuable services, a gold standard of care for the autism community. Now we can help keep families here instead of forcing them off island.

CAREER CONNECTED LEARNING & FACILITIES

As we think boldly and move aggressively to expand economic opportunity and transform healthcare on Guam—we know that real and honest change must also take hold at the Department of Education.

Education is the lifeline to our future success... and the opportunity to earn a college degree should belong to everyone willing to work for it...

But not everyone who goes to school wants a university education...

This is why I am calling on Dr. Swanson and the board of education to transform our K-12 educational curriculum to allow for more in-school, skill-based training that allows willing students to start on a career upon graduation.

Career Connected Learning—much like the work we are already doing with GCC and GCA, is about every student having access to hands-on learning opportunities that lead to a future career they choose for themselves...

In short, the classes we grew up with...

Woodworking—automotive—hospitality and more, return to become the foundation of skills so many need to build a career...

While we seek change in the way we teach, we know that we must dramatically improve *where* we teach...

Tonight, I join this community's longstanding call for a private island-wide maintenance contract of all DOE schools and the consistent annual appropriation to make it so...

Last year, I called on this body to use the authority only it has to transform DOE's procurement system into one that works...

Instead of rolling up their sleeves and honestly applying themselves to that task—some sought to create crisis rather than solve it— to close schools rather than construct a realistic and safe schedule for maintenance and repair...

Thanks to your bipartisan effort, that manufactured crisis was averted.

But for all that, some on this floor say DOE cannot do, how many times did they proclaim in a public hearing or press release that in 2023, our high school graduation rate was 90.7%—22% higher than ten years ago...

And recently, despite so many challenges, a school system handcuffed by broken procurement laws and bureaucracy won full WASC accreditation for six years....

To every teacher and administrator, counselor, school aide, member of support staff, and parent—you did these things—and you deserve our thanks...

While we are at it, let's do one thing more...before the year is out, let us find a way to reunify interscholastic sports. We are one Guam...and our children are elevated with more opportunities to play and compete against one another...

PUBLIC SAFETY

I know that those of us in this Chamber tonight share many differences of opinion, but I know nothing should unite us more than keeping our children safe...

To achieve this goal, daily visits to our island middle and high schools are now a part of GPD's regular patrol beat...

And police reservists are regularly assigned to campuses of concern when the need arises.

From safer schools to the fight for safer streets, Josh and I are keeping our commitment to building a safer Guam, proposing the continuous recruitment of nearly 100 law enforcement officers in my FY 25 Budget request...

It's why we worked with the late Senator Pedo Terlaje to create a new public safety retirement age, maintain salary increases going forward...

And it's why...

I ask this body to consider granting greater annual leave accrual to law enforcement officers...

When it's your job to save lives or place your own life in harm's way, you deserve the time off to rest, reset, and get back to work...

Finally, I also ask this body to continue pace with increments in public safety—a salary increase means nothing if it is eroded by years of missed annual adjustments...

I believe our proposition to future law enforcement officers is fair;

We will give you good wages, regular increments, an early retirement age, and ample time off with your families...

But going forward, we will expect something more of new recruits—if we train you for a career in law enforcement, we will ask you to sign on to a minimum three-year commitment to serve the agency you trained with...

Should you leave government service early, you will be asked to repay the pro-rated share of your training cost...

We respect your right to advance and do more with the skills you've learned for free— but this opportunity does not come without a cost—and it should be available for those who want it after you leave...

In an age of viral posts and messaging apps, the crime we only read about in the paper years ago follows us to bed as we scroll at night...

Although drug-related arrests are up, and we have confiscated more meth than our predecessors, the drug-related crime on our streets is unacceptable...

And the overwhelming number of referrals to our Child Protective Services division reveals that too many of our Homes—once safe places, are vulnerable to addiction and abuse—addiction that has parents choosing to feed their drug habit rather than feed their children.

I was a nurse long before I was your Governor. I know firsthand that the damage caused by drugs and their dealers is measured in human lives and wasted dreams...

Unfortunately, the evidence shows we can't just punish our way out of drug-related crime...

A more effective avenue, based on evidence, would be to expand rehabilitation efforts. A prime example of a successful rehabilitation program is Robert Dames...without it, he believes he would not be where he is today - mentoring DOC inmates going through the same struggles he went through. For many years, he volunteered with prison ministry... Robert is now employed with the Residential Substance Abuse Treatment Program at Behavioral Health. He is here with us tonight... Thank you, Robert, for being such an inspiration.

And because Josh and I both know that issues of addiction are often coupled with the challenges of homelessness and abuse— one multi-unit apartment complex is being prepared to function as transition housing in our ongoing effort...

And an emergency drop-in shelter will follow soon after.

Clearly, there is more demand for treatment services than our capacity can meet. This is why capturing every dollar owed to customs and quarantine is so vital.

More revenue means more K-9s, inspection equipment, and officers to harden our port against drug smugglers and other bad actors...

Cutting off supply and preventing addiction before it begins.

To do this...

We are aggressively pursuing a new Automated System for Customs Data at our Port.

This tool will help us improve security and fight corruption by enhancing transparency and streamlining cargo control, transit, and clearance of goods into our island. As we work through this multi-phased project, the goal is for technology to properly capture data, duties, and revenue which we can deploy in our fight against drugs.

COST OF HOUSING

Guam has long been a place where people from every creed and culture could make a home.

But for so many, the cost of new home construction is still too high.

The shortage of skilled workers is a major driver of this cost. This is why we've worked at both national and international levels to ensure that the number of skilled laborers on island now exceeds 5,000—a figure that has not been achieved on Guam since the construction boom of the 1980s...

As skilled labor increases at record rates so will our housing inventory be expected to rise.

We've also issued millions in mortgage and rental assistance, helping many stay in the homes they already have...

Still, too many working families - even those with good jobs and great credit- cannot afford to build or buy a home...

So we need to accomplish three things. ...

First maintain, and if possible, increase the reliable stream of labor necessary to keep pace with the demand for construction in the private and public sectors.

Second, because our rising cost of housing is directly related to federal policy itself, Guam must seek a greater allocation of federal tax credits directed toward the construction of affordable home development.

And third, we must review and reconsider any local or federal policy which needlessly impedes growth or hampers responsible development.

The Lieutenant Governor is leading the effort to ensure that our administrative rules regarding responsible development are common sense, easily understood, and realistic.

We can and will strike an appropriate balance between protecting our environment and ensuring every family on Guam has the chance at a safe, affordable place to call home...

MAYORS & VILLAGES

But we also know that home is about the communities in which we live...

For this reason, the work we do with our village mayors is essential...

We know you understand your village needs better than anyone else...

It's why every village received \$100-thousand dollars to add to Typhoon Mawar Recovery efforts as the village saw fit...

It's why we deployed \$600-thousand in village childcare grants...

Refurbished 15 village basketball courts, repaired miles of village roads, rehabilitated decades-old flooding zones in Barrigada and Agat...

It is why the Dededo Pool is open for business right now... and why admission to the pool will be free through April 30th...

From COVID to Mawar, I know times have not been easy for anyone—let alone our Mayors and Vice Mayors—but our actions prove that you will always have a partner in us.

VETERANS

As I speak to you tonight, the sons and daughters of Guam's Army and Air National Guard are deployed to places of potential conflict in lands far away...

The same is true of their counterparts in the reserve and active duty, regardless of their branch of service.

They do not serve alone...

They take with them the prayers, anxieties, and best hopes of everyone they love...

And to care for them when they return is our sacred duty.

It is why we called for expansion of the existing footprint of our Community Based Outpatient Clinic, or CBOC...

And yes...

It is why I am so passionate about co-locating other veterans services at a state-of-the-art medical complex at Eda Agaga...because our veterans - and all of our people - deserve a continuum of healthcare.

CONCLUSION

I know that we may not reach all of our goals in the lifetime of this administration...

Nor will I promise that our journey will be easy...

But I do know this...

We must have serious public policy aimed at expanding health care coverage—and lowering the cost of health insurance for those struggling to afford it now...

We need a transformation in education and a procurement law that prioritizes outcomes over delay...

Yes, homes need to be more affordable, and the products on our shelves cost too much...

Without question, there is too much violence in our streets and too little hope for those trapped in generational poverty.

But I cannot do this work alone...

And your ideas must be greater than simply opposing mine.

So tonight, I say this....

Senators, send me real public policy—policy on which we can find common ground and share common hope...

Send me a land use plan so we can build the future well...

Let's fund the land bank so we can make eligible families whole again...

Send me plans to build new precincts and fight the true causes of crime...

Show me new and innovative public policy to combat inflation, capture more revenue, and expand our economy...

And in this term, let us construct a new hospital in a location that fosters growth and progress for our island...

If we start with respect and always remember the people who sent us here...

If we focus on common ground—acknowledging that we can always disagree better...

Guam's future will stay bright and a better tomorrow will always call us forward.

Madame Speaker, I offer my hand in the spirit of cooperation and diplomacy so that we can work together in the best interest of our people....

God bless Guam and *Si Yu'os Ma'ase*...

###