



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

April 9, 2020

Senate Special Committee on COVID-19  
Thirtieth State Legislature  
State Capitol  
Honolulu, Hawai'i 96813

Dear Senators:

On behalf of Governor David Y. Ige, this responds to the Senate Special Committee on COVID-19 request for preliminary thoughts on how the administration is planning for Hawai'i's economic recovery. As you know, the spread of the virus has led to unprecedented interruptions to the global economy and all governments and states around the world are currently assessing and planning their responses to this dramatically changed world.

The situation is still in flux and rapidly changing daily as we uncover and address the many unanticipated consequences of the stay-at-home order and the mandatory quarantine for all incoming travelers. Hopefully, the information provided will help the committee understand how we are being proactive on budgetary and economic recovery preparations.

In the immediate short term, the administration is looking at several options to maintain continuity of services despite the projected losses to the state's budget.

Question: How will the administration deal with budgetary changes including restrictions, programmatic changes, furloughs or other employment related efforts to contain costs or enhance revenue?

The administration intends to immediately implement the spending restrictions and the hiring freeze set forth in Executive Memorandum No. 20-01.

The administration is currently in the process of preparing an updated financial plan for the current biennium that will consider furloughs and other employment related efforts to

contain costs as well as revenue enhancements such as those that may result from an in depth analysis of the federal CARES Act.

Discussions with public unions, budget staff and human resources officials are ongoing. No final decisions have been made as of yet.

Question: How will the administration support, enhance and stimulate Hawai'i's economy, given the possibility that even after the stay-at-home orders have been lifted, the tourism industry may not return to normal levels for some time to come? How will the administration reshape and diversify the economy, making Hawai'i more resilient to future economic downturns?

Veteran business executive and community leader Alan M. Oshima will lead a collaborative effort to develop and implement the Hawai'i Economic and Community Recovery & Resiliency Plan that will include a concurrent three-part strategy to address both the economic and community impacts of COVID-19:

- **Part I: Stabilization.** Identify and address critical economic and community impacts, including the allocation of federal CARES Act funds and state and local funding to mitigate the collapse of key economic sectors. Also, provide direct economic relief to individuals to avoid homelessness, hunger and sickness.
- **Part II: Recovery.** Identify and support economic and community development activities which provide recovery, job growth and capital investment in the economy.
- **Part III: Resiliency.** Re-evaluate and restructure Hawai'i's economy to meet the new normal and desired future for Hawai'i. Identify and invest in systemic changes in the economy and society which furthers economic diversification, environmental preservation, sustainability and Hawai'i's values and way of life.

We are currently working with private partners to form an Economic Recovery Team that will help develop, outline and execute a plan for Hawai'i's economic recovery. This plan will involve cooperation and feedback from the community, legislators and government departments about how to best move forward and utilize the extensive funds coming to Hawai'i from the federal government through the CARES Act to rebuild and diversify our economy in ways that retain and create jobs immediately to meet our current workforce demands as well as leads to greater resiliency down the line.

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While I understand the Committee's desire to be proactive and have all the answers up front, the team is just being formed this week and this team needs some time to develop and formulate a thoughtful plan. Further information and detail on this recovery team will be made available as soon as possible.

Your interest and patience with regard to this matter are appreciated.

Sincerely,

*Linda Chu Takayama*

Linda Chu Takayama  
Chief of Staff, Office of the Governor