

PROTECT  
PUBLIC HEALTH

REVIVE  
THE ECONOMY

STRENGTHEN  
OUR COMMUNITY

## CAPITOL CONNECTION

FEBRUARY 2021

Excerpts of the governor's 2021 State of the State Address

### Hope for Hawai'i and the road ahead

*"The key to reviving our economy remains tied to the health of our community."*

Twelve months ago, we met in the House Chambers planning for what we thought would be a very bright and promising year. State revenues were at a high of \$8 billion. Our unemployment rate was the lowest in the nation. And we had our best credit rating ever from the bond market. Literally overnight, our expectations were crushed by the coronavirus pandemic. Hawai'i moved quickly, but the virus was not to be denied. With so much to deal with, where do we begin? **In spite of it all, I believe we begin with hope.** Hope, because there are safe and effective vaccines being distributed and more on the horizon. Hope because we have a president who believes in science and who has real empathy for the millions of Americans affected by this disease. Hope because all around us, there are everyday heroes.



Governor Ige outlines his vision for the state.

### A story of survival, healthcare heroes and vaccines



Alofa Nua throws a shaka as he leaves the hospital.

Alofa Nua ran a small tire shop on O'ahu with his wife Tanya, working seven days a week. He was young, healthy and full of life. Last March, he began feeling ill and developed a fever. That's when he got tested for COVID-19. He thought it was just the flu, but he was wrong. A week after being admitted to the hospital, he began to have trouble breathing. The doctors at Queen's told him they would have to put him on a ventilator. In his words, they put him to sleep in March and he woke up in May. He was in the hospital for 7 ½ weeks. During his stay, his heart stopped twice, his lungs collapsed, and his body was constantly fighting one infection after another. By all accounts, he should not be with us today. But he is— because of his own resilience and the love and support of his family.

More importantly, Alofa is a survivor because of the dedication, professionalism and sincere concern of his medical caregivers, who refused to let him lose his battle with the virus. They are the true heroes of Hawai'i. And there are many others, including our first responders and essential workers, who go to work every day, despite this deadly pandemic. Here in Hawai'i, we have always counted on each other in good times and bad. We were at our best when we were looking out for each other—when we didn't let the times tear us apart. This is who we are. This is who we've always been. We have a choice of letting this pandemic dictate our destiny or working together to create a brighter tomorrow. **I ask you to join me in determining a new path to the future.**

### Hawai'i meets the public health challenge

It was a year that changed life as we knew it. Most significantly, it was a time when we lost so many—family members, friends, co-workers and neighbors—all precious and irreplaceable. That's why our most important responsibility right now is to protect the health and well-being of everyone in Hawai'i. We will continue to take the tough actions necessary to keep our community safe, including the **Safe Travels** airport screening program. Hawai'i was among the first to demand pre-travel testing and quarantine procedures. That's one of the reasons we lead the nation with the lowest COVID-19 infection and death rates. We are also implementing a **comprehensive strategy for the distribution of vaccines in every county**, getting vaccine to people where they live and where they are able to receive it. And we will be working with the Biden administration to expedite the distribution of vaccines to everyone. My thanks to the Hawai'i National Guard, the private hospitals and the county mayors, who played such a large role in assisting us. Finally, protecting everyone's health means staying the course because we are far from being out of the woods. This responsibility is one that is shared by all. **We must all continue to wear a mask, wash our hands, watch our distance and get vaccinated.**



The vaccine rollout continues statewide.

# Providing for families, housing beyond the pandemic

Hawai'i went from having the lowest unemployment rate to having one of the highest in just a few weeks. That's why we have paid out more than \$4 billion in unemployment benefits during the pandemic. That's why distributing the **federal CARES Act funds** was a priority. We are grateful for the assistance of the Senate and the House— **specifically Sen. Donovan Dela Cruz and Rep. Sylvia Luke**—in helping us direct these monies to those who needed them, including \$75 million in restaurant cards for the unemployed, \$25 million to small businesses for new products and markets, \$3 million to support the commercial fishing industry, \$61 million for PPE for business and educational institutions, \$10 million for local PPE manufacturing, \$15 million for childcare providers, \$31 million for computers and connectivity for our students, \$14 million to bring in nurses and healthcare workers, and \$5 million for food assistance.



CARES Act funds helped families, businesses survive.

We also spent more than \$71 million in housing assistance to about 13,700 households who would have otherwise faced eviction. This program was cited by Forbes Magazine as a model for the nation in getting rent checks to landlords faster than any other state. Moreover, the pandemic underscored why having a steady supply of affordable housing is so important for our families' well-being. We achieved our initial goal of building 10,000 new homes by 2020. But we need to do more. **I am setting a new goal of 3,000 more units by the end of 2022.** We also want to make lands available to build affordable leasehold homes, particularly around the rail line. As I outlined last year, if we can reduce the cost of land, we could dramatically lower the overall cost of affordable housing in Hawai'i. I will be asking the Legislature to consider a bill to do just that. **More importantly, the initiative would keep this supply of housing affordable forever.** We also want to invest more in capital improvement projects, adding infrastructure and roads that will allow us to develop more homes. To that end, I am asking my administration to take a sweeping look at how we generate affordable housing— from financing through construction.

## Rethinking education for a digital world



Students and teachers embraced online learning.

Transforming an entire public education system during a pandemic is no small feat. We started this school year with teachers and students embracing online learning. Last year, the Legislature established a **School Facilities Agency** to bring our aging school buildings into the modern era. Even before the pandemic, the new agency was viewed as an exciting new initiative that will also provide jobs and economic opportunities for Hawai'i. The School Facilities Agency is a first step in maximizing school lands by building teacher housing, childcare facilities, after-school centers and other uses that are compatible with school facilities. It's also part of a larger recovery plan, which I will get into shortly. Building new schools also means jobs and is an integral part of our recovery and resiliency efforts. Working with all stakeholders, we plan to aggressively move forward on three pilot projects to serve as a model for the schools of the future.

During this pandemic, we've been forced to not only rethink the classroom but to take instruction beyond its walls. We've had to ask teachers to look for other ways to teach. And we've had to ask parents and students to take a more active role in their own education. If the pandemic has taught us anything, it has shown us that it does take an entire village to educate a child. In addition, the University of Hawai'i is also combining distance and in-person learning for its 50,000 students across all campuses. They are doing this while continuing to maintain a research engine generating more than \$400 million for our economy.

## Economic recovery—now and for the future

### Government Services

At a time when government is being asked to be all things to all people, every state is facing historic revenue shortfalls. And so, from the beginning of this crisis, we've been monitoring its impact on the state's finances and taking action. These actions have included reducing the current budget by \$402 million; transferring \$345 million from our rainy-day fund; and eliminating \$350 million from state programs. For the first time in our state's history, we borrowed \$750 million to make payroll.



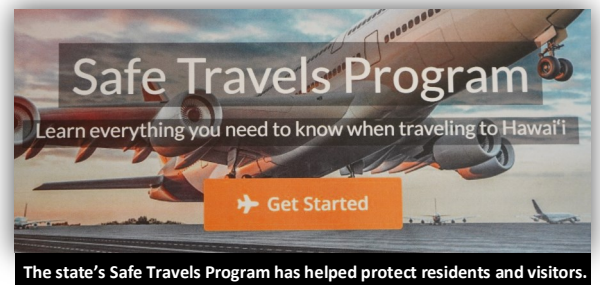
Gov. Ige and the Legislature face tough choices.

In spite of these significant measures, we are still projecting that **revenues will not fully recover to pre-pandemic levels until 2024.** Even with the most generous of federal assistance, it is a staggering deficit. But there are things we can do to reduce the pain. Government will have to tighten its belt; our citizens will be asked to do more with less; and we will all need to help each other. Unlike past years, our main budget initiative will be to find ways to cover the historic shortfalls. The best answers lie in the ones we arrive at together. I might add that the latest report from the state's Council on Revenues projects our economy will outperform earlier dire predictions. The council now expects the state to generate nearly \$6.3 billion in tax revenues for this fiscal year. That's why we were able to adjust the DOE's proposed reductions and now have about **\$123 million to restore to our classrooms.** In a sea of bad news, that is good news indeed.

# Balancing community health and economic recovery

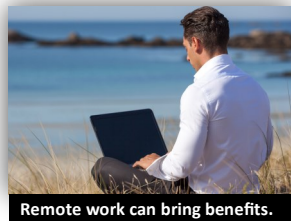
## Short-Term Recovery Initiatives

The struggle for businesses to stay afloat has been daunting at best. Because of this, the state is planning to cover the interest payments on the \$700 million DLIR loan on behalf of employers. That amounts to over \$165 million that our businesses would otherwise have to make up over the next six years. Hawai'i has been among the hardest hit states in terms of job losses and economic activity. More than 580,500 Hawai'i workers filed unemployment claims last year. In the face of a life-threatening virus, where is the sweet spot between ensuring the health of everyone and keeping the economy going? How do we sustain our hotels and small businesses who depend on our visitors?



Last spring in response to COVID-19, we launched a 14-day quarantine for travelers—something that the federal government is now looking to emulate with travel to the U.S. The quarantine was devastating to our visitor industry. But it was one of our most important tools to stem the pandemic through the summer and fall, when the nation's infection rate rose exponentially. More importantly, it kept our families safe. And in the end, I believe, it also saved our reputation as a healthy visitor destination. **I believe the key to reviving our economy remains tied to the health of our community**, no matter how slow and frustrating the process may be at times.

## Long-Term Recovery Initiatives: Pivoting to technology



The pandemic also exposed our local economy for what it is: very dependent on tourism. To make the state less vulnerable to sudden and unexpected changes, we must diversify. I will continue to promote technology-driven diversification of our economy. The pandemic has accelerated economic trends that were already underway. They include the rise in remote work and the demand for digital skills. These trends and the intervention of the pandemic show clearly where the future is. We must invest in our digital economy to be a player in that future.

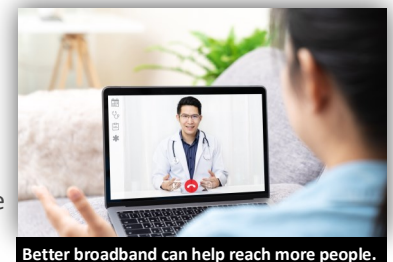
The pivot to a digital economy will serve as a foundation for our economic resilience. It will help us to better weather future disruptions, no matter the makeup of our economic engine. In a digital economy, it doesn't matter where your workstation is located. In a digital economy, Hawai'i's workforce can compete globally, contributing to higher wages and a higher quality of life. More importantly, we can keep our kama'āina here to reverse the brain drain. Because, in a digital economy, our children won't have to move to the mainland to secure good jobs. But to do that, we will need the right environment. Every government, business and nonprofit must embrace digital technology to thrive. **A post-COVID Hawai'i cannot be a Hawai'i as it used to be.**

## Hawai'i 2.0: A community-wide call to action

That's why, in the wake of the pandemic, I am calling for the creation of a program of action to not just reboot but to upgrade our economy. **To create a Hawai'i 2.0, if you will.** I have asked Senate President Kouchi and Speaker Saiki to work with me, as well as business, labor and community leaders, to develop a program of action for Hawai'i's future. I have reached out to the Hawai'i Business Roundtable, the Hawai'i Executive Conference, the Chamber of Commerce of Hawaii, and the Hawai'i Community Foundation to convene stakeholders and communities from across the state. I have also sought the counsel of governors Ariyoshi, Waihee, Cayetano, Lingle and Abercrombie for their thoughts on economic recovery. **I have asked all of them for recommendations by April**, which will be folded into specific actions by the third quarter of this year. The Legislature will then have an opportunity to act upon these initiatives in their 2022 session. The pandemic brought our economy to a screeching halt. But could it also be an opportunity to reassess our path forward? **Opportunity takes on many disguises. Sometimes, it only waits for us to recognize it.**

## Broadband: A future to connect us all

A critical part of re-programming our economy is the creation of a healthy statewide broadband network. During the pandemic, the importance of broadband to everything that we do was made all too real. All of us dramatically increased online activities, such as online learning, telework, telehealth, and workforce training. I have directed Ed Sniffen, DOT deputy director of highways, to accelerate his **pilot project to connect rural communities to broadband service**. He will be leveraging federal funds with state and private sector resources. The project will focus on Puna, Ka'u, Hana, Nānākuli, Wai'anae, Waimānalo, Kalihi and Kapa'a. I am also directing my cabinet to implement projects to connect rural and underserved communities to similar projects. Clearly, the pandemic has highlighted the digital inequity in Hawai'i. We need to make sure that a student in Nānākuli can access an online lesson plan as easily as a student in Kāhala—and that, in a digital Hawai'i, everyone's connected. Likewise, with an FCC grant, we will support a telehealth initiative to connect low-income patients with high medical risks to healthcare providers. DHHL will receive at least \$30 million in federal funds to benefit Native Hawaiians. **The pandemic has made it painfully clear that life in the future will be ALL about being connected. (cont. on Page 4)**



## Hawai'i's First Lady to lead national group

In the midst of a pandemic, the nation's First Spouses for the 50 states can be a force to be reckoned with. Driving that effort will be **Hawai'i's First Lady, Dawn Amano-Ige**, who is serving as chair of **the National Governors Association Spouses' Leadership Committee**, a six-person, bipartisan group that plans to highlight issues raised during the fight against COVID-19 connected to children and families.

"We want to bring light to many areas of concern where we as First Spouses can have a positive impact and gain policy support," said Mrs. Ige. These issues can include hunger, education, child welfare and mental health services, literacy and more. Because of the pandemic, the group is convening virtually more often and expanding its focus. "Part of my goal as chair is to develop more engagement and discuss a wider range of issues," she explained. "The value of our Spouses' Leadership Group is sharing ideas and seeing what's going on in other states. We want to develop a system of support that can benefit all of us."



Asked what should be the message to young people in the wake of the Jan. 6 attack on the U.S. Capitol, Mrs. Ige replied: "Violence should never be tolerated in resolving any issue. It doesn't help our country, state or community. Violence causes divisiveness and costs lives. Level-headed leadership with the focus on unifying our country is critical."

## Help for keiki and kūpuna: Preschools and memory care



A "**Memory Care Roadmap**" for family caregivers and anyone who wants to improve brain health is available through the Hawai'i Alzheimer's Disease Supportive Services Program and the Executive Office on Aging. The helpful guide provides resources, practical advice and ways to distinguish between normal aging and serious memory problems. It also provides tips for people of any age who want to reduce the risk of developing dementia, such as food recommendations and "10 Ways to Love Your Brain." For a copy of the guide and other resources, go to <https://www.hawaiiadrc.org/site/459/hadssp.aspx>.

**Preschool Open Doors (POD) Program** – This Department of Human Services program provides subsidies to low- and moderate-income families to help pay preschool tuition at any of 409 state-licensed preschools. The program is accepting applications through **March 31, 2021** for children who were born between Aug. 1, 2016 and July 31, 2017 and will be eligible to enter kindergarten in the 2022-2023 school year. Interested families can call (808) 791-2130 on O'ahu or toll-free from the neighbor islands at (800) 746-5620.

## Governor Ige: 'We are at a historic crossroad' STATE OF THE STATE (cont.)

**F**inally, my friends, *we are at a historic crossroad* — because of the pandemic and because of new leadership in Washington D.C. The latter is a source of rising hope and great expectations. Seventy-five years ago, our parents endured a global war that cast one of the darkest shadows over the free world. Their response was historic. It became their most enduring legacy to all of us. Today, we have a chance to Pay It Forward. This public health crisis has forced us to look down a different road. But it has not determined where that road will end. That has always remained in our hands. The pandemic has not forced us to change. That we must do on our own to address the challenges we face.



**But our strength lies in something deeper than those superficial changes.** It lies in who we have always been as a people. Hawai'i is all of us poured into this vessel—a pot that doesn't melt away our differences but highlights them, emphatically and proudly. That is our strength. Hawai'i is the hundreds of small family businesses that make up the real backbone of our economy. It is Kalākaua Avenue and Kalihi Street on O'ahu, Front Street and Main Street on Maui, Ali'i Drive and Kino'ole Street on Hawai'i Island, and Kūhiō Highway that stretches from Kapa'a to Hā'ena on Kaua'i. It's the smell of a thousand lei at graduation and the swell of pride from beaming parents. And it's quiet moments — when you get to savor life at its fullest — when you think to yourself: This is what it's all about. This makes it all worthwhile. Because we are Hawai'i. In these dark times, with the pandemic knocking us back on our heels, it is not enough to occasionally show aloha. We must have aloha for each other—at all times. **We all have jobs to do — you, me, everyone in Hawai'i — to lift ourselves and each other back up into the sunlight. Let's not waste another moment.** Join with me in this challenge. Thank you and aloha.

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