Economic and Community Pathway to Recovery

Office of the Governor - State of Hawai‘i

APRIL 20, 2020
Despite massive challenges, COVID-19 crisis gives Hawai‘i an opportunity to emerge stronger.

Hawai‘i is presented with a unique opportunity to transform and challenge all of us to emerge from the crises more:

- Connected
- Digitally enabled
- Collaborative
- Resilient
- Diversified
- & Engaged
Our vision

Changing the trajectory of Hawai‘i towards a more balanced, innovative, sustainable economy that balances the people, the place, and the culture with the environment, land, and ocean
Our guiding principles

Health and safety first

Work in a collaborative, inclusive, and transparent manner

Respect and incorporate Hawai'i's values, unique sense of place, and way of life
We will engage with stakeholders

- Sector-specific workshops
- Virtual "town hall" meetings
- Solicitation of written input
- Community and business surveys
Guiding principles for public and private leadership in crisis

Be visible, purposeful, and authentic
Communicate in ways that engage and increase the relevance of your teams and clarify the reasons underlying your communications

Use multiple clock-speeds
Think on multiple timescales by considering the now, the next, and the later. Ensure that leadership teams look ahead and prepare for the future

Cut through bureaucracy
Assemble a multi-functional task force that is empowered to make decisions and suspend normal decision protocols

Be flexible, focus on execution
Share only key objectives and rationale of required actions to allow the organization to be flexible and adaptive, and allow a focus on execution

Engage externally
Communicate with customers and stakeholders to gather frequent, fresh, first-hand information to adapt and respond effectively

Adapt and innovate
Look out for new needs and opportunities to serve now and beyond the crisis. We will not be reverting to a 2019 reality
High Level Plan to re-open the Hawaii economy

**Phase 1**
Stabilization

*Focus on stabilizing number of COVID-19 cases, especially critical care, within the state and addressing Hawai‘i’s immediate health, safety, and economic needs*

**Phase 2**
2a: Reopening

*Begin to reopen gradually by sequencing which activities open, based on public health safeguards*

2b: Recovery

*Find paths to recover the economy, and support society in balancing lives and livelihood*

**Phase 3**
Resilience

*Build a resilient economy, with strong business and job growth*

Disease controlled, and treatment within sustainable medical capacities possible
Six principles will inform decision-making and process throughout each phase:

- Have **clear priorities and goals** for each phase
- Engage stakeholders and **ensure transparency**
- Use **fact-based decision-making**
- Leverage national and global **best practices**
- Consider federal, state, local and private **funding sources**
- Focus on the **need for speed**
Goal of stabilization is to limit spread of COVID-19 and address immediate needs of the people of Hawai‘i

**Prevention**
Appropriate controls and policy decisions to limit the spread of disease in the population

**Testing and Quarantine**
Effective testing and quarantine policy and associated actions, supported with availability of quality testing infrastructure

**Treatment**
Accessible and affordable care to infected patients, consistent with the required level of care

**Socio-economic sustenance**
Provision of support for the vulnerable, and continuity of critical services (e.g. education) to maintain social harmony

**Communication**
Accurate and appropriate information sharing with people, to promote positive action and control the pandemic

**Financing**
Provision and generation of funds to support the entire response, while limiting deficit

**Governance**
Structured availability and analytics of data at central level to support decision making and allocation of effort
Phase 1: Stabilization

State policy priorities

Maintain low infection rate
Ensure availability of food
Ensure adequate shelter
Preserve and build health system capacity
Keep the economy alive

1 Public policy measures to support priorities

- Governor emergency proclamations
- In-shelter and quarantine measures
- Travel restrictions
- Social distancing
- Moratorium on evictions
- Access to telehealth
- Develop re-entry plan and schedule

2 Resource allocation to support priorities, e.g.,

- Availability of testing and medical supplies
- Unemployment assistance
- Food assistance
- Health insurance assistance
- Reopening plan and readiness
- Coordination and timing of Federal funding
How to Win: Effective governance of stabilization phase

Perform
Make transparent, data-informed decision early. Deliver results and coordinate across localities

Communicate
Enable bi-directional comms to inform reentry strategy, disseminate information and mobilize action

Enforce
Utilize self-regulating mechanisms and consistent enforcement levers to encourage compliance with issued guidelines

Monitor
Develop system to track and assess compliance of regions, businesses, and the public to adjust strategies

Together these 4 actions:
1) Build public trust and economic confidence
2) Enable agile adjustment of strategies, guidelines, risk levels
Phase 2a: Reopening gradually in phases

State policy priorities

- Mitigate virus resurgence
- Re-open the economy
- Re-enter the workforce
- Support local businesses and nonprofits
- Return to school
- Open phased-in travel

1 Public policy measures to support priorities

- Reopening plan and policies
- Modified travel restrictions
- Required testing, tracing and quarantine
- Modified in-shelter orders
- Modified social distancing
- Incentives for re-opening and recovery

2 Resource allocation to support priorities, e.g.,

- Screening, testing, tracing and quarantine
- Points of entry: Airport and harbors
- Points of entry: Businesses, workplaces, and schools
- Nonprofit, safety net assistance
- Business technical assistance
- Crisis counseling
Hawaii needs to consider 6 key factors across both healthcare and public/economic to ensure we develop a safe and effective reopening plan.

<table>
<thead>
<tr>
<th>Healthcare readiness</th>
<th>Public/economic readiness</th>
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</thead>
<tbody>
<tr>
<td><strong>Disease conditions</strong></td>
<td><strong>Public/economic readiness</strong></td>
</tr>
<tr>
<td>Control of virus impact in terms of case growth and disease impact (e.g., high risk populations)</td>
<td>Leading indicator that measures are effective, public health is protected</td>
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<tr>
<td><strong>Healthcare capacity</strong></td>
<td><strong>Business preparation</strong></td>
</tr>
<tr>
<td>Adequate supply of hospital supplies, trained workers, treatment spaces</td>
<td>Workplace health protocols and business readiness</td>
</tr>
<tr>
<td><strong>Virus monitoring system</strong></td>
<td><strong>Public response</strong></td>
</tr>
<tr>
<td>Virus testing relative to new case volume, serological testing, and contact tracing</td>
<td>Training and availability of hygiene products and PPE; high compliance rates</td>
</tr>
<tr>
<td><strong>Business preparation</strong></td>
<td><strong>Government preparation</strong></td>
</tr>
<tr>
<td><strong>Public response</strong></td>
<td><strong>Government preparation</strong></td>
</tr>
<tr>
<td>Testing to inform decisions, resource allocation, and outbreak resolution</td>
<td>Federal framework for public health, sectors, and global politics</td>
</tr>
<tr>
<td><strong>Public and economic readiness to be informed by input from public health experts</strong></td>
<td>Public educated and empowered to adhere to guidelines, play role in containment</td>
</tr>
<tr>
<td>Businesses ensure workplace safety for those returning to work</td>
<td>Clear guidance, expectations, and legal protection for system actors</td>
</tr>
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</table>

*Public and economic readiness to be informed by input from public health experts*
Reopening strategies beginning to cascade by country

Summary

Staged reopening with mandatory monitoring, testing, and contact tracing with strict workforce guidelines (e.g., for manufacturing, groups of 20 work, eat, and live together)

Avoided lockdown with exception of schools (closed 2/3) because they consider schools as “high risk” areas

Avoided lockdown with exception of schools (closed 3/10) with high testing capacity and sophisticated tracing measures

“Low-scale lockdown” approach avoided total economic shutdown but increasing case counts suggest potential shutdown in near term

Sequenced re-opening based on transmission risk of activity (e.g., open small shops and open-air sports facilities first), with strict distancing rules and monitoring through testing and tracing

Early phases of reopening include a subset of schools and educational programs

Full containment and reboot approach enabled by tight border controls and early action (low case count);

Additional protections outlined for the vulnerable (e.g., over age 70 advised to stay home)

Gradual reopening of small shops first, then schools, with strict containment strategy restrictions and widespread testing and tracing

4-phased reopening while protecting at-risk populations. Initial opening 1 includes finance and tech given ability to enforce strict protective compliance employ 10% of population

Cautious exit with coordination with states, monitoring infection dynamics, and enforcing ongoing restrictions

Despite avoiding shutdown with testing and contact tracing, Singapore closed nonessential businesses and schools on 4/3

Proposed 3-phase approach mitigates risk, protects vulnerable, and implementable on state or county-level, based on governor’s discretion

As of April 17, 2020

Notes: ‘ (Began…) ’ refers to the start date of a country’s lockdown, lockdown definition varies among countries but generally refers to date non-essential businesses were ordered to shut down

Source: Lit search
Many factors must be taken into consideration when determining the best sequence to reopen individual industries:

1. Virus resurgence
2. Total employment
3. Income at risk
4. ALICE population
5. Essential/critical sectors
6. Industry interconnectedness
7. Employee/customer concentration
8. Geography
   Etc.
We're looking at global best-practices for safe reopening and will consider incorporating into our plan where appropriate

<table>
<thead>
<tr>
<th><strong>Prevention</strong></th>
<th><strong>Coordinated communications</strong></th>
<th>Mass media messaging, including social media (government WhatsApp accounts), physical media (billboards, subways), text campaigns and even government AI-powered chatbots</th>
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</thead>
<tbody>
<tr>
<td><strong>Distancing measures</strong></td>
<td>Traffic lights in Sydney CBD automated to reduce unnecessary contact with high touch surface</td>
<td>Releasing of non-violent prisoners in an effort to stem the spread of the virus</td>
</tr>
<tr>
<td><strong>Wide-spread population tracking</strong></td>
<td>Use of credit card transactions, smartphone location data and CCTV video to track confirmed cases</td>
<td>Voluntary health declaration mobile app to report on self or suspected cases in neighborhood</td>
</tr>
<tr>
<td></td>
<td>Thermal imaging to test for high-temperatures in crowds</td>
<td>Monitor movement of individuals and certify those able to go back to work</td>
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</table>

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<thead>
<tr>
<th><strong>Testing &amp; Quarantining</strong></th>
<th><strong>Private sector collaboration</strong></th>
<th>Online collaboration between government and private sector to crowdsource the development and testing of digital solutions</th>
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<tbody>
<tr>
<td></td>
<td>Accepting funding applications from start-ups and SMEs with innovative solutions to tackle Coronavirus outbreak</td>
<td></td>
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<tr>
<td><strong>Enforcement</strong></td>
<td>Fines or other punishments for non-compliance for individuals</td>
<td>Onus on employers to ensure compliance (e.g., potential to be barred from hiring foreign talent if foreign employees found non-compliant)</td>
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<tr>
<td></td>
<td>App developed for self-quarantined persons to report status to health offices</td>
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<tr>
<th><strong>Treatment</strong></th>
<th><strong>Outpatient monitoring</strong></th>
<th>Select municipalities deploying “Corona Taxis” in which health care workers visit outpatients with mild symptoms to preventatively determine whether they are likely to need future hospitalization</th>
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<tbody>
<tr>
<td></td>
<td>Local health team calls individuals twice daily to ask about symptoms</td>
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</table>

Phase 2b: Recovery

State policy priorities

- Increase access to disease treatments
- Continue phased-in travel
- Support full return of workforce
- Reshape the economy

1. Public policy measures to support priorities
   - Build new capabilities for the people of Hawai‘i
   - Continued support of vulnerable and ALICE individuals and households,
   - Protect workers, helping SMEs and support distressed sectors
   - Develop scenarios for long-term growth
   - Encourage private sector and investor engagement

2. Resource allocation to support priorities, e.g.,
   - Continued unemployment, rent/mortgage, and health insurance assistance
   - Support individual and business liquidity
   - New skills training
   - Coordination and timing of Federal funding
Our approach to recovery will help people and businesses address liquidity shock and address longer-term capabilities and planning

- **Cost**
  - Reduce *cost of doing business* for companies affected (e.g. property tax, subsidy for utilities, temporarily ease interest payment requirements for non-performing loans etc.)
  - Alleviate *cost of living* for citizens (e.g. personal income tax, mortgage deferrals, transportation subsidies, etc.)

- **Cash**
  - Ensure *continuity of business*, particularly for SMEs (e.g. temporary wage subsidies, availability of working capital / trade financing support for SMEs)
  - Transfer of *cash payments* directly to low income individuals

- **Capability**
  - *Build capabilities* of individuals with future skills required in the new economy
  - Conditional payment of cash transfers or employer subsidies may be offset against e-learning credits

- **Long-term plan**
  - Develop a long-term vision and robust plan for Hawaii’s recovery to help *boost consumer confidence and demand*
Phase 3: Resilience

State policy priorities

Develop **resilient outbreak control** and **emergency response** mechanisms

Help **workforce adapt** and ensure **security of essentials**

Stabilize and **stimulate the economy**

Find **opportunities for innovation**

1. **Public policy measures to support priorities**
   - Identify and support new opportunities for innovation
   - Redesign underlying economic priorities and focus at the State and Local levels
   - Invest in education and other drivers of innovation
   - Push towards Hawai‘i 2050 goals

2. **Resource allocation to support priorities, e.g.,**
   - Innovation grants
   - Employee retraining
   - Support for new ways of working
   - Etc.
COVID-19 will have a long-lasting impact and define a “new normal” for Hawai’i

**New digital horizons**
- Accelerated government digitalization
- Further embraced online economy

**New working habits**
- More flexible ways of working
- Greater focus on work safety and health

**New- and old-borders**
- Securing control over supply chains for critical goods (e.g. health)
- Greater scrutiny of people movement
- Weakening of multilateralism

**New Sustainability practices**
- Energy and Food sustainability and independence
- Redesigned supply chains
- Greater focus on resilience

**New social contracts**
- Governments acting as safety net (e.g., basic income or crisis mgmt.)
- Increased trust in institutions

**New individual behaviors**
- Higher awareness of health risks
- Personal freedom will be more easily sacrificed for perceived social benefit
Next steps

1. Allocation of CARES Act Funding, consistent with Stabilization and Reopening goals and priorities
2. Stakeholder engagement and input
3. Reopening Plan: public health and economic recovery
COVID-19 has had a severe and unprecedented impact on the state economy and community.

Hospitals, shopping malls, airlines, restaurants, retailers, service professionals, nonprofits, and a wide variety of Hawaii businesses have significantly reduced or shut down operations.

As of April 2, 2020, the Hawaii Department of Labor and Industrial Relations received over 105,000 initial unemployment applications statewide due to the economic damages, losses and impact of COVID-19. To address the economic and community impact of COVID-19 and coordinate recovery efforts, Governor David Ige issued a Proclamation on April 2, 2020 to establish a Hawaii Economic & Community Navigator to coordinate, direct, and implement a statewide economic and community recovery and relocation plan.

The Plan is composed of three components which work hand in hand.

Phase I: Stabilization
Identify and address critical economic and community impacts, including the allocation of CARES, State and local funding to mitigate the collapse of key economic sectors. Also, identify and address economic impacts to individuals to avoid homelessness, hunger and suicides.

Phase II: Recovery
Identify and support economic and community development activities which provide recovery, job growth and capital investment to the economy. Chart a course of capital recovery to the workforce, catalyzing the needs of public health, and economic recovery.

Phase III: Resiliency
Reevaluate and restructure Hawaii’s economy to meet the new context and demands for Hawaii’s identity and mission in economic change in the economy and accept which sectors economic prioritization, environmental preservation, sustainability, and Hawaii’s values and way of life.