

# **JOBS AND BUSINESS WORKING GROUP**

Draft Report  
November 1, 2023

*Purpose: To evaluate the Maui unemployment rate and the approaches to restart business activity as well as the impacts to tourism statewide, and to prepare recommendations for appropriate legislative action.*

# JOBS AND BUSINESS WORKING GROUP

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### Jobs and Business Working Group

#### SUMMARY

The Lahaina wildfires in August 2023 were a devastating event that left an indelible mark on Hawai‘i, claiming numerous lives and destroying entire communities. In its aftermath, the need for coordinated and effective legislative action has become increasingly urgent. To address this pressing issue, the Speaker of the House of Representatives established six interim House working groups under the authority of House Rule 17 and House Resolution No. 224, Regular Session of 2023. Each working group is tasked with evaluating specific topics related to the Lahaina wildfire and proposing recommendations for legislative action in the upcoming 2024 Regular Session.

The Jobs and Business Working Group is comprised of Co-Chair Representatives Andrew Takuya Garrett and Daniel Holt and Member Representatives Terez Amato, Trish La Chica, Rachele F. Lamosao, Scot Z. Matayoshi, Dee Morikawa, Nadine K. Nakamura, Mark M. Nakashima, Sean Quinlan, and Gene Ward. The purpose of the Jobs and Business Working Group is to evaluate the Maui unemployment rate and the approaches to restart business activity as well as the impacts to tourism statewide, and to prepare recommendations for appropriate legislative action.

The Jobs and Business Working Group primarily gathered data through correspondence and questionnaires transmitted to and interviews conducted with government officials, leaders of non-governmental organizations, and union and business leaders. Inquiries centered on the Working Group's three areas of focus: (1) unemployment; (2) restarting business activity; and (3) impacts to tourism statewide. Members examined the state of employment in Maui, the state of the unemployment insurance system in the aftermath of a natural disaster, efforts to stabilize businesses and employees, workforce development initiatives to prepare residents to fill anticipated labor needs, and the state of tourism.

Questionnaires were transmitted to, and interviews were conducted with, the Department of Business, Economic Development & Tourism; Department of Labor and Industrial Relations; Hawai‘i Tourism Authority; University of Hawai‘i System, specifically the Economic Research Organization and Maui College; Council for Native Hawaiian Advancement; and Hawaii Regional Council of Carpenters.

On October 26, 2023, the Jobs and Business Working Group connected with several business organizations (including the Maui Chamber of Commerce, LahainaTown Action Committee, West Maui Taxpayers Association, and Maui Hotel & Lodging Association), business leaders, and small business entrepreneurs to hear their stories and experiences with navigating the various

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government programs whose purposes have been to support businesses, such as the United States Small Business Administration's disaster loans programs.

These efforts yielded great insights that have allowed the Jobs and Business Working Group to identify achievements and opportunities in the state unemployment insurance system and initiatives to support rebuilding businesses and preparing the Hawai'i workforce for anticipated labor needs. Specifically, the Jobs and Business Working Group proposes recommendations on the following topics regarding the Working Group's three areas of focus:

- (1) Unemployment Division and System Strengthening;
- (2) Workforce Development Initiatives in Construction;
- (3) Child Care Services Availability;
- (4) Business Assistance Due to Extraordinary Circumstances; and
- (5) Responsible, Respectful, and Compassionate Tourism.

## FINDINGS

### Unemployment Division and System Strengthening

Finding: The surge in unemployment claims due to the Maui wildfires has overtaxed the Department of Labor and Industrial Relations' Unemployment Insurance Division staff and systems.

### Impact of the Wildfires on Employment in Maui

The impact of the wildfires on Maui businesses and, by extension, employees can be categorized into three tiers. First, the wildfires either catastrophically destroyed or partially damaged the physical structure of the business. More than 2,200 structures were destroyed or damaged, of which 1,000 were visitor accommodations.<sup>1</sup> There were 834 businesses within the disaster area that were closed,<sup>2</sup> which employed about 7,000 persons.<sup>3</sup> The total estimated value of the

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<sup>1</sup> [\*UHERO Forecast for the State of Hawaii: Wildfires Deliver Heavy Blow to Maui Economy\*](#). The Economic Research Organization at the University of Hawai'i, Sept. 2023, p.2.

<sup>2</sup> Mak, James, et al. [\*Economic Perspective of Maui's Devastating Wildfires\*](#), The Economic Research Organization of the University of Hawai'i, 8 Sept. 2023. Accessed 25 Oct. 2023.

<sup>3</sup> [\*"Maui Wildfire Impacts Economic Recovery."\*](#) State of Hawai'i Department of Business, Economic Development & Tourism, 6 Sept. 2023. Accessed 25 Oct. 2023.

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commercial or industrial structures lost is \$262,000,000, while the total estimated value of the tourist accommodations lost is \$65,000,000.<sup>4</sup>

Second, while some nearby businesses were spared from direct fire damage, many businesses either did not have power, functioning sewer service, or safe drinking water, or any combination of these, in the weeks following the wildfires. For businesses in this second tier, the interruption in power, sewer service, or water service has forced the business to either modify its operations or shut down entirely until service can be restored. Lastly, in the third tier, many businesses outside of the affected areas have observed a considerable decline in revenues corresponding to the precipitous drop in tourists to Maui following the news of the wildfires.

As a result of these three tiers of impact, many businesses were forced to lay off workers. Beginning with the week of August 12 (the week of the wildfires), the Department of Labor and Industrial Relations received a wave of initial unemployment claims, which are claims that initiate a determination of eligibility to begin a claimant's benefit year (new claims) or subsequent period of unemployment (additional claims) within the benefit year.<sup>5</sup> The unemployment rate for Maui was 2.7 percent for the second quarter of 2023.<sup>6</sup> However, due to this wave of claims, the unemployment rate for Maui is projected to soar to more than 11 percent in the fourth quarter of 2023, an average of 6.5 percent for 2024, and 4.5 percent for 2025.<sup>7</sup>

The immediate figure below identifies the number of initial unemployment claims received by the Department of Labor and Industrial Relations for the weeks ending with the identified dates. The subsequent figure identifies the duration of such unemployment claims by detailing the number of weeks claimed for benefits, which are requests for weekly unemployment payments, regardless of whether benefits are actually paid. For data available up to October 21, 2023, the Department of Labor and Industrial Relations received 16,994 initial unemployment claims and 73,566 weeks claimed since the week of August 12.

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<sup>4</sup> Bonham, Carl, et al. [After the Maui Wildfires: The Road Ahead](#). The Economic Research Organization at the University of Hawai'i, 31 Aug. 2023. Accessed 25 Oct. 2023.

<sup>5</sup> "[Unemployment Weekly Claims Data](#)." *State of Hawai'i Research and Statistics*. Accessed 25 Oct. 2023.

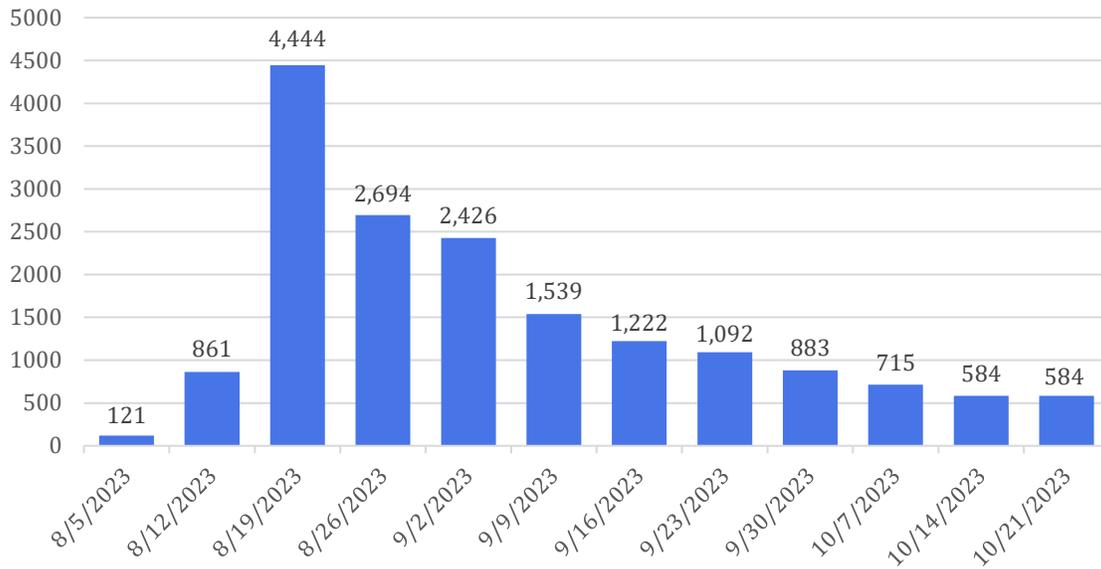
<sup>6</sup> *UHERO Forecast for the State of Hawai'i*, p.4.

<sup>7</sup> *Ibid.*

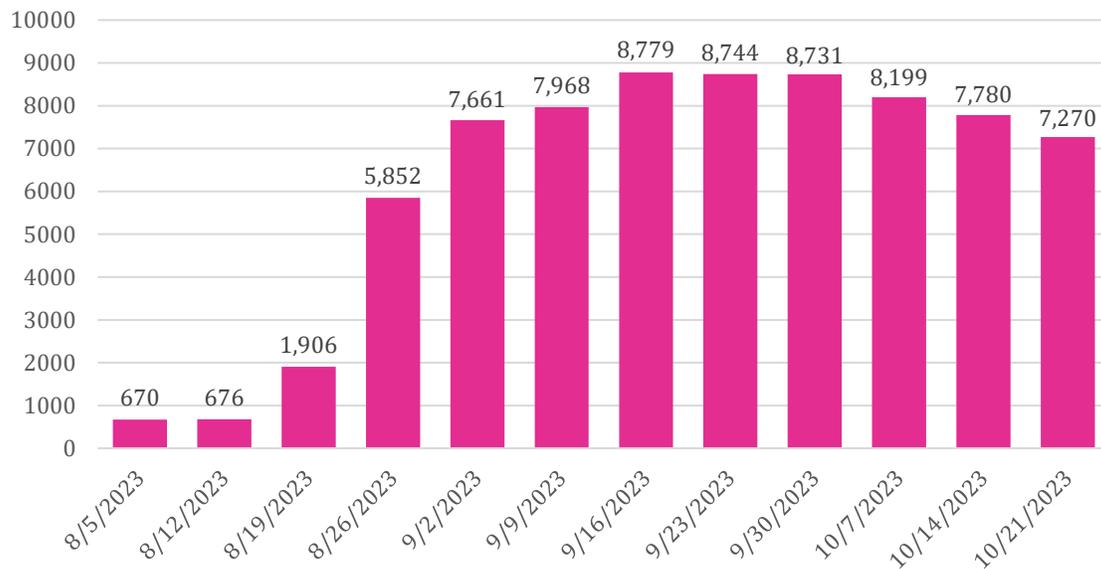
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Initial Unemployment Claims, Maui Island



Weeks Claimed, Maui Island



Figures: ["Weekly Unemployment Updates."](#) State of Hawaii Department of Business, Economic Development & Tourism. Accessed 27 Oct. 2023.

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Since individuals affected by the wildfires face substantial economic straits and telecommunications and transportation challenges, the Department of Labor and Industrial Relations waived the HireNet registration and work search requirements for Maui claimants, beginning with all initial unemployment claims received on August 6, 2023.<sup>8</sup> "This makes it easier for eligible unemployment insurance claimants to receive their benefits without having to certify work search requirements for weekly claims."<sup>9</sup>

Due to the wave of initial unemployment claims and the easing of eligibility requirements, there has been a corresponding increase in the weekly payouts. However, the Department of Labor and Industrial Relations believes there are sufficient funds in the Unemployment Compensation Trust Fund to address the claims and there is no need for legislative aid like there was during the COVID-19 pandemic.

DATE (AS OF)	AMOUNT PAID OUT	TRUST FUND BALANCE
8/4/23	\$3,294,579	\$425,834,936.18
8/11/23	\$3,304,261	\$481,475,561.41
8/18/23	\$3,138,813	\$479,219,184.94
8/25/23	\$4,270,423	\$475,553,870.43
8/31/23	\$4,179,976	\$471,698,892.02
9/8/23	\$6,135,689	\$465,960,230.17
9/15/23	\$6,382,837	\$460,405,450.44
9/22/23	\$10,803,385	\$450,087,375.76
9/29/23	\$6,963,441	\$443,639,769.53
10/6/23	\$7,127,912	\$441,571,538.29

But in spite of the relaxed eligibility requirements, there are many wildfire victims who may not be eligible for unemployment insurance benefits because they are not ready and willing to return to work due to ongoing trauma. To qualify for unemployment insurance benefits, an individual must, among other things, be able and available to work, which includes that the individual be ready and willing to accept work.<sup>10</sup> The Department of Labor and Industrial Relations evaluates each individual case to determine whether an individual is still eligible for unemployment insurance benefits. However, federal Disaster Unemployment Assistance was made available to

<sup>8</sup> Butay, Jade. Editorial. "[Column: Lessons Learned, Labor Agency is Here to Serve.](#)" *Honolulu Star-Advertiser*, Sept. 17, 2023.

<sup>9</sup> Ibid.

<sup>10</sup> "[Handbook on Unemployment Insurance: A Guide to Unemployment Benefits.](#)" *State of Hawai'i Unemployment Insurance Division*, May 2023. Accessed 26 Oct. 2023.

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certain individuals who were deemed to be ineligible for regular unemployment insurance benefits because they were unwilling to return to work due to trauma.<sup>11</sup>

### **Federal Disaster Unemployment Assistance**

Triggered by President Joe Biden's Presidential Disaster Declaration on August 10, 2023, Disaster Unemployment Benefits are available to "[w]orkers, business owners, and self-employed individuals in the County of Maui who became unemployed or had their work hours reduced or interrupted due to the wildfires that occurred on August 8, 2023[,] and do not qualify for regular unemployment insurance."<sup>12</sup>

To qualify for the Disaster Unemployment Assistance benefits, one of the following conditions of unemployment must have occurred as a direct result of the disaster:

1. The individual has had a week of unemployment following the date the major disaster began;
2. The individual is unable to reach his/her place of employment;
3. The individual was scheduled to start work and the job no longer exists, or the individual was unable to reach the job;
4. The individual became the breadwinner or major support because the head of the household died as a direct result of the disaster; or
5. The individual cannot work because of an injury caused as a direct result of the disaster.<sup>13</sup>

To be eligible for Disaster Unemployment Assistance, qualifying individuals must meet all of the following eligibility requirements:

1. The individual is not eligible for regular unemployment insurance;
2. The individual is unemployed as a direct result of the disaster;
3. The individual is able and available for work, unless injured as a direct result of the disaster;
4. The individual filed an application for Disaster Unemployment Assistance within 30 days of the date of the public announcement of the availability of Disaster Unemployment Assistance; and

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<sup>11</sup> Nakaso, Dan. "[Federal Aid Available for Unemployed Maui Workers.](#)" *Honolulu Star-Advertiser*, 13 Oct. 2023. Accessed 26 Oct. 2023.

<sup>12</sup> "[Disaster Unemployment Assistance \(DUA\) Benefits are Available.](#)" *State of Hawai'i Unemployment Insurance Division*, 24 Aug. 2023. Accessed 25 Oct. 2023.

<sup>13</sup> "[Disaster Unemployment Assistance: Information and Assistance Rights.](#)" *State of Hawai'i Unemployment Insurance Division*, 11 Sept. 2023. Accessed 26 Oct. 2023.

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5. The individual has not refused an offer of employment in a suitable position.<sup>14</sup>

While the application deadline for Disaster Unemployment Assistance was initially for September 25, 2023, the Department of Labor and Industrial Relations extended the application deadline for the initial claim for Disaster Unemployment Assistance until October 26, 2023.<sup>15</sup> As of October 12, 2023, the Department of Labor and Industrial Relations has received more than 3,000 applications for Disaster Unemployment Assistance.

### Processes Improvements

The Department of Labor and Industrial Relations devised a questionnaire to assess which unemployment benefits program was appropriate for the claimant based on the information provided by the claimant. This reduced the wait time for an applicant, who now would not have to apply and be deemed ineligible from one unemployment benefits program before applying to the program appropriate for their circumstances.

Additionally, the Department of Labor and Industrial Relations, in partnership with the United States Department of Labor and the United States Postal Service, implemented two new processes for ID proofing: (1) through the secure government website, Login.gov, or (2) in person proofing at a United States Postal Service location.<sup>16</sup> "These new identity verification methods will help improve fraud prevention in the unemployment insurance program while ensuring eligible claimants receive benefits regardless of their location or ability to access technology by allowing claimants to meet ID verification requirements in just minutes through login.gov or by visiting their local post office."<sup>17</sup>

### Department Struggles to Address the Rise in Unemployment Claims

Department of Labor and Industrial Relations staff have been working seven days a week to meet the demands of the unemployment surge. Employees with more experience are reallocated to best meet the needs of any bottlenecks that may occur in the process. However, the volume of claims continues to overwhelm the Department, which has several vacant positions that, if filled, would alleviate the workload divided amongst the staff.

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<sup>14</sup> Ibid.

<sup>15</sup> ["News Release: DLIR Extends Application Filing Deadline for Disaster Unemployment Assistance Benefits."](#) *Office of the Governor of the State of Hawai'i*. State of Hawai'i Department of Labor and Industrial Relations, 22 Sept. 2023.

<sup>16</sup> ["News Release: State Partners with U.S. DOL & USPS to Offer ID Proofing for Unemployment Insurance Claims."](#) *Office of the Governor of the State of Hawai'i*. State of Hawai'i Department of Labor and Industrial Relations, 25 Aug. 2023.

<sup>17</sup> Ibid.

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Lastly, efforts to address the rise in unemployment claims are hampered by the antiquated mainframe used to process regular unemployment insurance claims. The Department is in the process of modernizing the mainframe and is currently in the process of creating and posting the Request for Proposals for that project.

### Workforce Development Initiatives in Construction

Finding: The existing number of construction tradespersons in the State will not be enough to meet the anticipated demand for laborers and construction tradespersons to conduct the cleanup and reconstruction on Maui.

### Maui Construction Demand

It is estimated that the "rebuilding cycle at its peak will require about 2,000 Maui-based construction workers over-and-above the anticipated pre-fire forecast" for needed construction workers.<sup>18</sup> Maui construction payrolls are expected to "rise from about 4,700 workers before the fires to nearly 7,000 by 2025."<sup>19</sup> Existing forecasts, as shown in the following figure, project a significant increase in total building authorizations through the end of the decade.

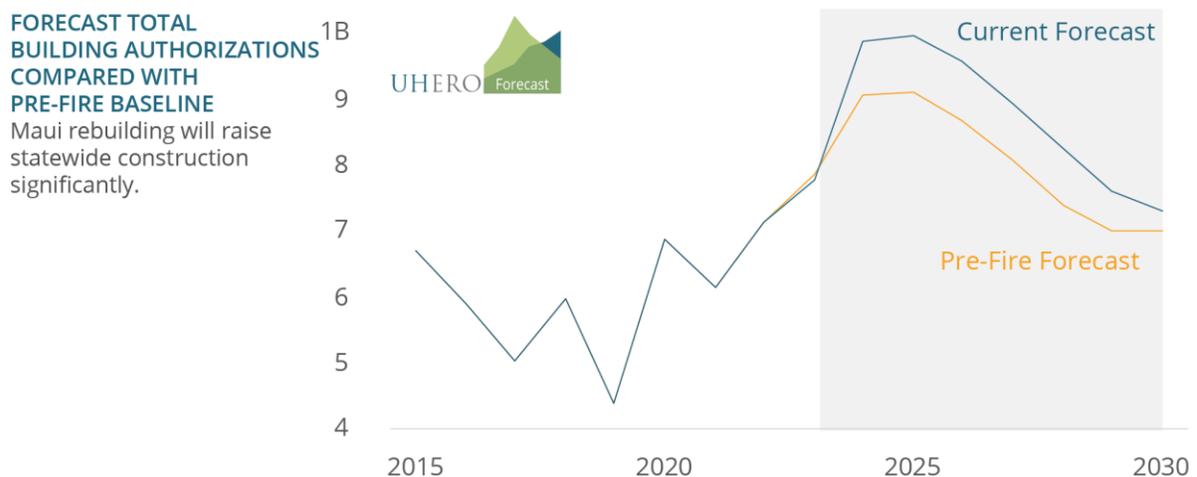


Figure: UHERO Forecast for the State of Hawai‘i, p.16.

<sup>18</sup> UHERO Forecast for the State of Hawai‘i, p.7.

<sup>19</sup> Ibid.

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This anticipated demand for construction tradespersons for Maui reconstruction will be in competition with other existing or anticipated construction projects in the State, including various transportation projects (such as road maintenance projects) and federal defense projects (such as the replacement of a Pearl Harbor dry dock).<sup>20</sup> It will be necessary to boost local training programs to partially, if not fully, meet this anticipated need for laborers and construction tradespersons and not further exacerbate the housing crisis with a large migration of off-island workers into Maui.

### **Initiatives to Scale-Up Training**

Various organizations have begun to either expand existing offerings or erect new training opportunities. The University of Hawai'i Maui College is expanding its apprenticeship and training programs with the goal of training hundreds of construction tradespersons, which will be in addition to the 200 already enrolled in the College's apprenticeship program. By partnering with construction trade unions to expand the College's offerings in apprenticeship opportunities, these new apprentices will be ready and available to work while simultaneously gaining trade education and experience.

On September 15, 2023, the Council for Native Hawaiian Advancement erected the Hawaiian Trades Academy at Maui Mall Village in Kahului to provide free workforce certification classes for Maui residents' interest in clean-up and rebuild-related jobs.<sup>21</sup> The Hawaiian Trades Academy offers the following certification courses: OSHA-10, OSHA-30, HAZMAT-8, and HAZWOPER-40. The Council also plans to launch additional courses in CDL-A licensing, CDL HAZMAT Endorsement, Forklift Safety, and entry-level carpentry. The Council hopes to make those courses available soon. As of October 13, 2023, more than 150 persons have graduated from their certification courses.

Lastly, the Department of Labor and Industrial Relations was awarded "\$485,001 in State Apprenticeship Expansion Formula funds to expand Registered Apprenticeship programs in the state and enhance the National Apprenticeship system."<sup>22</sup> The Department has encouraged construction trade unions to recruit new applicants.

These initiatives will allow unemployed workers the opportunity to be trained or certified at free or reduced cost with the goal of "upskilling" into high-demand jobs.

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<sup>20</sup> *UHERO Forecast for the State of Hawai'i*, p.17.

<sup>21</sup> ["CNHA Offering Free Workforce Development Certification Courses on Maui."](#) Council for Native Hawaiian Advancement, 6 Sept. 2023.

<sup>22</sup> ["News Release: DLIR Announces Award of State Apprenticeship Expansion Grant."](#) Office of the Governor of the State of Hawai'i. State of Hawai'i Department of Labor and Industrial Relations, 2 Aug. 2023.

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### Clean Up Positions To Be Available

On August 28, 2023, the United States Department of Labor awarded an initial \$10,500,000 National Dislocated Worker Grant to the State for the purposes of providing "people with temporary jobs focused on cleaning up debris and repairing damage caused by the fires, and providing humanitarian assistance to the wildfire survivors."<sup>23</sup> As of October 12, 2023, the Department of Labor and Industrial Relations was making the necessary preparations to make these positions available.

### Child Care Services Availability

Finding: Residents are finding it difficult to return to work with the lack of child care providers nearby.

### Stabilizing Workers' Living Circumstances

Several child care facilities and preschools were destroyed in the wildfires, thereby creating a void in the child care services sector that is essential for allowing many workers to reenter or remain within the workforce. As a result, many workers would have to commute long distances simply to have child care providers. This sentiment has also been repeated by employers, which have identified the lack of child care as one of the key barriers for workers to accept employment.

The County of Maui is coordinating with partners on developing child care programs for displaced families.<sup>24</sup>

### Business Assistance Due to Extraordinary Circumstances

Finding: Business owners are finding it difficult to stabilize their existing economic situations and plan for the future.

### United States Small Business Administration Disaster Loans

Full economic recovery in West Maui will be a long, slow process, with many indicators suggesting that full recovery is not expected to occur until 2028. The immediate figure below forecasts that Maui payroll employment will not return to pre-fire forecast levels until 2028. The

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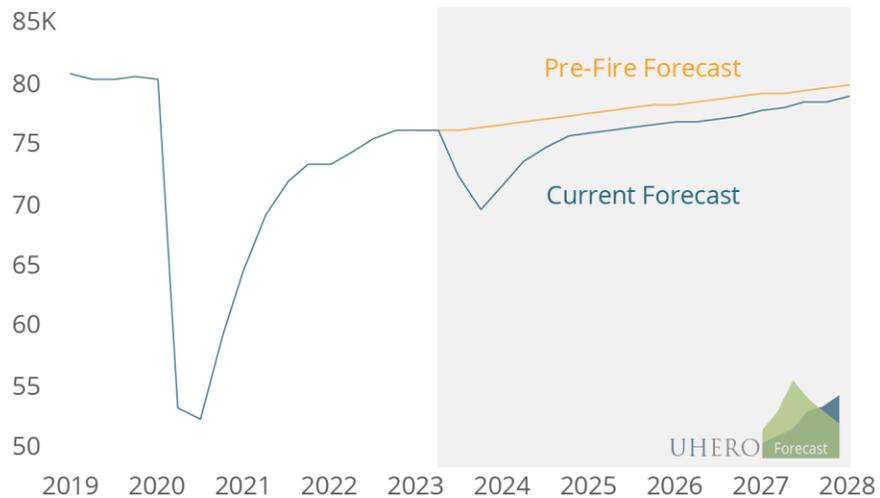
<sup>23</sup> ["US Department of Labor Awards \\$10.5M in Initial Funding to Support Disaster-Related Jobs in Hawaii After Severe Wildfires on Maui."](#) U.S. Department of Labor, 28 Aug. 2023. News release.

<sup>24</sup> ["Mayor Richard Bissen Announces Next Phases of West Maui Re-Opening on November 1."](#) County of Maui, 23 Oct. 2023.

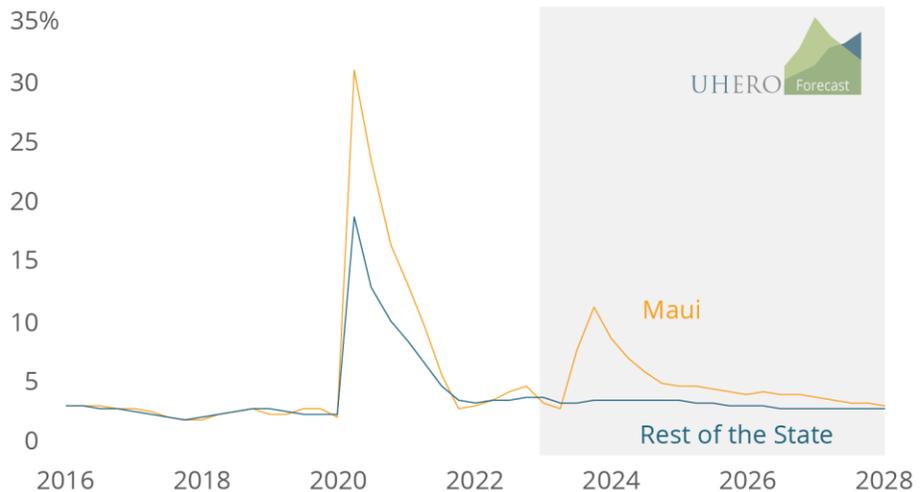
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forecast in the subsequent figure indicates that the unemployment rate for Maui will not return to the pre-fire rate until 2028.

**MAUI PAYROLL EMPLOYMENT FORECAST COMPARED WITH PRE-FIRE BASELINE**  
Maui jobs will remain below our pre-fire forecast.



**UNEMPLOYMENT RATE FORECASTS FOR MAUI AND THE REST OF HAWAII**  
Maui's unemployment rate will surge, with little effect on the other counties.



Figures: UHERO Forecast for the State of Hawai'i, p.5 and 7.

To assist in the recovery and to stabilize the economic situation for small businesses, the United States Small Business Administration offers two types of disaster loans to assist businesses that have been affected by a declared disaster: business physical disaster loans and economic injury disaster loans.

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Business physical disaster loans are "[l]oans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, private universities, etc., are also eligible."<sup>25</sup> The interest rates and terms vary on whether the business has credit available elsewhere. If the business does not have credit available elsewhere, the business may receive a business physical disaster loan with four percent interest up to 30 years.<sup>26</sup> If the business does have credit available elsewhere, the business may receive a business physical disaster loan with eight percent interest up to seven years.<sup>27</sup> The loan can only be applied to uninsured or otherwise uncompensated disaster losses,<sup>28</sup> but may not be used to upgrade or expand a business, except as required by building codes.<sup>29</sup>

Economic injury disaster loans are "[w]orking capital loans to help small businesses, . . . and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period."<sup>30</sup> Unlike the business physical disaster loan, to qualify for economic injury disaster loans, the U.S. Small Business Administration must determine that the business is unable to obtain credit elsewhere.<sup>31</sup> Businesses that meet this qualification may receive an economic injury disaster loan with four percent interest up to 30 years.<sup>32</sup>

There is a \$2,000,000 aggregate limit for the business physical disaster loans and the economic injury disaster loans.<sup>33</sup> Specifically, if a business qualifies for both loans, the total amount of aid from the two loans will not exceed \$2,000,000. Additionally, applicants must have a credit history acceptable to the United States Small Business Administration and demonstrate the ability to repay the loans.<sup>34</sup>

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<sup>25</sup> ["U.S. Small Business Administration: Fact Sheet – Disaster Loans: Hawaii Declaration #18061 & #18062."](#) *U.S. Small Business Administration*, 4 Oct. 2023. Accessed 26 Oct. 2023.

<sup>26</sup> *Ibid.*

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> ["Business Physical Disaster Loans."](#) *U.S. Small Business Administration*, 25 Oct. 2023. Accessed 26 Oct. 2023.

<sup>30</sup> "U.S. Small Business Administration: Fact Sheet."

<sup>31</sup> ["Economic Injury Disaster Loans."](#) *U.S. Small Business Administration*, 25 Oct. 2023. Accessed 26 Oct. 2023.

<sup>32</sup> "U.S. Small Business Administration: Fact Sheet."

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

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As of October 25, 2023, the United States Small Business Administration has approved 398 business loans for \$58,999,400.<sup>35</sup> The deadline to apply for the business physical disaster loan is November 9, 2023.<sup>36</sup> The deadline to apply for the economic injury disaster loan is May 10, 2024.<sup>37</sup>

However, the availability of these loans is not being maximized in the State. First, some businesses are hesitant to apply for these loans as they are still paying off COVID-19 disaster loans.<sup>38</sup> Second, some businesses are being denied because they are unable to demonstrate they have the ability to repay the loan.<sup>39</sup> In several instances, denials have been issued to businesses that have lost their physical space, equipment, and inventory and are unable to stand up another location to immediately bring in revenue.

### **Uncertain Guidance and Other Economic Pressures**

As stated previously in this chapter, there are many businesses that face uncertainty not as a result of direct fire damage but of nonfunctional utilities; the business either has no power, water service, or wastewater service. These businesses have stated that the County of Maui has not provided any timeline on the progress of restoring the affected utilities. This uncertainty has led many to lose employees who need dependable income streams.

For businesses that have suffered fire damage, there is uncertainty as to whether the businesses will be able to rebuild in the same area, particularly for businesses that operated along the shoreline. Some business owners adamantly believe they will not be allowed to rebuild in the same area. As a result, they have made the decision to close their businesses.<sup>40</sup>

Additionally, several businesses are still being required to pay rent or mortgage, even if the business location is closed or burned down.<sup>41</sup>

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<sup>35</sup> ["SBA Amends Individual and Public Assistance Maui Wildfires Disaster Declarations to Include Damage from High Winds."](#) *U.S. Small Business Administration*, 26 Oct. 2023. Press release.

<sup>36</sup> "U.S. Small Business Administration: Fact Sheet."

<sup>37</sup> Ibid.

<sup>38</sup> For example, see Dobbyn, Paula. ["Lahaina Businesses Hoping to Reopen Face Daunting Challenges."](#) *Honolulu Civil Beat*, 13 Sept. 2023.

<sup>39</sup> For example, see *ibid.*

<sup>40</sup> For example, see Downey, Kirstin. ["Uncertainty And Delays Are Too Much for Some Lahaina Businesses. They're Calling It Quits."](#) *Honolulu Civil Beat*, 16 Oct. 2023.

<sup>41</sup> Rodriguez, Max. ["Uncertain Future for Many Maui Businesses."](#) *KHON2*, 19 Sept. 2023.

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Lastly, the Department of Business, Economic Development and Tourism, in conjunction with the County of Maui, are working on a program to make forgivable loans available to businesses impacted by the wildfires.<sup>42</sup> Further details and information on that program is forthcoming.

### **Responsible, Respectful, and Compassionate Tourism**

Finding: With visitors slowly returning to Maui, the need for responsible, respectful, and compassionate tourism is greater than ever before to ensure that visitors do not retraumatize employees.

### **Slow Recovery of Tourism**

As mentioned previously in this chapter, among the 2,200 structures that were damaged or destroyed, there were "roughly 1,000 visitor accommodations that housed as many as 4,000 tourists."<sup>43</sup> In the immediate aftermath of the wildfires, the number of visitors to Maui dropped by approximately 75 percent, representing an estimated \$13,000,000 loss of visitor spending per day.<sup>44</sup> While visitors are slowly returning to Maui, the number of visitors are not expected to fully reach pre-fire forecast levels until 2028. While the decline in visitors to Maui will have some spillover to other islands as visitors adjust their visits away from Maui, such spillover will be limited.<sup>45</sup>

The immediate figure below illustrates the precipitous drop in visitor arrivals to Maui following the wildfires. The subsequent figure represents the forecasted number of visitors to Maui in comparison to the pre-fire forecast.

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<sup>42</sup> Tagami, Megan. "[Housing Remains a Top Priority 2 Months After the Maui Fires.](#)" *Honolulu Civil Beat*, 18 Oct. 2023.

<sup>43</sup> *UHERO Forecast for the State of Hawai'i*, p2.

<sup>44</sup> *Ibid.*

<sup>45</sup> *Ibid*, p.9.

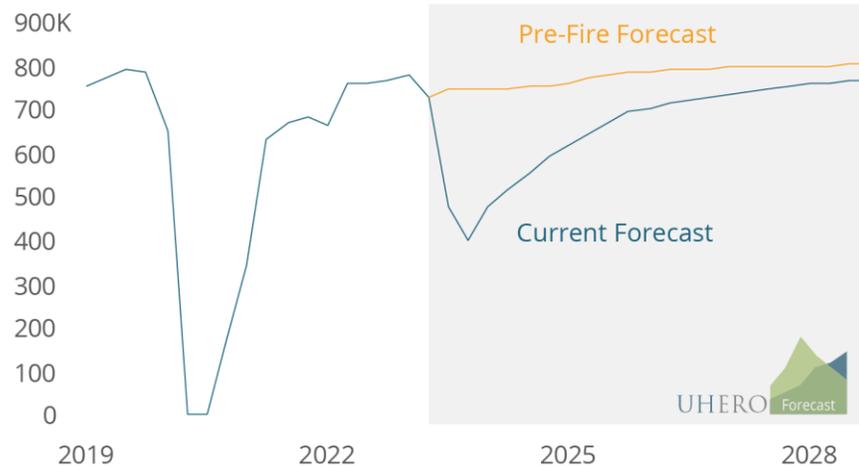
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**WEEKLY MAUI PASSENGER COUNTS**  
 Maui passenger counts dropped sharply after the wildfires.



**MAUI COUNTY VISITOR ARRIVALS**  
 A full Maui visitor industry recovery is years down the road.



Figures: UHERO Forecast for the State of Hawai'i, p2-3.

The following figure shows the actual number of air bookings to Maui as of October 27, 2023. Air bookings are down when compared year-over-year.

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**Air Bookings Trends to Maui  
All Markets**



Source: DBEDT/READ, Tourism Research Branch analysis of ForwardKeys data

## Hawai‘i Tourism Authority Promotion of Responsible, Respectful, and Compassionate Tourism

Although there were conflicting messages on social media and news stories immediately following the wildfires on whether tourists should be visiting Maui,<sup>46</sup> the Hawai‘i Tourism Authority launched the Maui Marketing Recovery Plan, "which is centered around the new Mālama Maui campaign and prioritizes rebuilding travel demand from the United States market to Maui in the wake of the devastating Lahaina wildfires."<sup>47</sup>

<sup>46</sup> Yip, Cynthia. "[Local Residents, Tourism Agency Want Visitors to Know Other Parts of Maui are Open.](#)" *KITV*, 15 Aug. 2023.

<sup>47</sup> "[Hawai‘i Tourism Authority Board of Directors Approves \\$2.6 Million in Funding for Maui Marketing Recovery Plan.](#)" *Hawai‘i Tourism Authority*, 31 Aug. 2023. News release.

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The Mālama Maui campaign focuses on educating visitors to engage in responsible, respectful, and compassionate travel to Maui.<sup>48</sup> Specifically, the Hawai‘i Tourism Authority asks visitors to refrain from inquiring about a resident's personal experience with the disaster, thereby asking the resident to relive the trauma. Additionally, the Hawai‘i Tourism Authority informs visitors that Lahaina Town remains off-limits.

This effort is closely related to and accomplishes much of the intent behind the Maui Nui Destination Management Action Plan 2021-2023, the purpose of which is to address the negative effects of overtourism with the aim to "rebuild, redefine and reset the direction of tourism" on Maui, enhance the quality of life for residents, and improve the visitor experience.<sup>49</sup>

### RECOMMENDATIONS

The Jobs and Business Working Group offers the following recommendations:

#### **Recommendation 1: Unemployment Division and System Strengthening**

To adequately address surges in unemployment claims, the Unemployment Insurance Division of the Department of Labor and Industrial Relations must be properly staffed and supported with a system to efficiently process and manage claims. The Unemployment Insurance Division is encouraged to fill the vacant positions within the Division. As an alternative, persons in other state departments may be recruited to voluntarily provide support on a temporary basis in processing unemployment claims. Furthermore, the Request for Proposals process to modernize the Division's antiquated mainframe system should be expedited.

#### **Recommendation 2: Workforce Development Initiatives**

Existing initiatives are providing the opportunities for unemployed persons with the education and training to upskill into high-demand jobs. The University of Hawai‘i Maui College should be provided with additional resources to expand the Career and Technical Education apprenticeship program for hiring adjunct faculty. Nonprofit organizations that offer certification classes, training, and apprenticeships for living wage employment opportunities are encouraged to apply for grants-in-aid from the State during the Regular Session of 2024. Finally, the Department of Education is encouraged to promote trade career pathways in middle and high school to assist with the anticipated demands to the State's labor and construction workforce.

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<sup>48</sup> ["Hawai‘i Tourism Authority Educates Travelers on How to Visit Maui with Respect and Compassion."](#) Hawai‘i Tourism Authority, 26 Oct. 2023. News release.

<sup>49</sup> ["Maui Nui Destination Management Action Plan 2023-2023."](#) Hawai‘i Tourism Authority, 2021.

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### **Recommendation 3: Child Care Services Availability**

The development of child care services in West Maui should be encouraged to allow workers to return to work.

### **Recommendation 4: Business Assistance Due to Extraordinary Circumstances**

Efforts should be made to assist businesses in these extraordinary circumstances. The United States Small Business Administration is encouraged to work with the Hawai‘i congressional delegation to explore options to maximize available assistance to Maui businesses. Lenders are encouraged to consider the extraordinary circumstances of the Maui wildfires to reach an amicable resolution with businesses when constructing mortgage relief and forbearance agreements. The County of Maui is encouraged to:

- (1) Communicate firmer updates on timelines for infrastructure restoration;
- (2) Establish a designated federal resource navigator to assist and inform persons, including small businesses, on the resources available to them; and
- (3) Develop a process to expedite the permitting of infrastructure and buildings, especially for businesses that are still capable of operating.

### **Recommendation 5: Responsible, Respectful, and Compassionate Tourism**

Initiatives should promote responsible, respectful, and compassionate tourism. Additional resources are encouraged for the Hawai‘i Tourism Authority to continue its Mālama Maui campaign and implementation of the Maui Nui Destination Management Action Plan. The development of a visitor mobile application should be examined, which could assist in promoting responsible, respectful, and compassionate tourism and promote areas of the State that are available and ready to accept visitors.