



# GOV. MSG. NO. 7

## EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA

March 15, 2024

✓ The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Second State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki  
Speaker, and Members of the  
House of Representatives  
Thirty-Second State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Saiki, and Members of the Legislature:

Beginning on August 8, 2023, the worst natural disaster in our state's history and the nation's deadliest wildfire in the past century damaged more than 2,000 structures, took 101 of our loved ones, and upended the lives of more than 13,000 survivors. As we continue to grieve all we have lost, the state remains committed to supporting those impacted.

A disaster of this magnitude will bring forth many challenges that require us to work together. In the immediate aftermath of the disaster, the state worked with the American Red Cross to quickly coordinate a non-congregate shelter (NCS) program that ensured every displaced individual had a roof over their head. These temporary accommodations were critical to the direct safety and health of survivors. Now that conditions have stabilized, the state's NCS program has shifted its focus to connecting survivors with long-term housing.

Determining the most supportive housing solution for each survivor is a team effort. The state is working closely with survivors and the Federal Emergency Management Agency (FEMA) to identify housing that fulfills each survivor's unique needs. As part of this collaboration, the state continues to advocate for FEMA Individual Assistance, through FEMA's Direct Lease program, on behalf of survivors. Many federal disaster resources are available to our community due to the unprecedented nature of the wildfires, and my administration will fully utilize these federal resources as much as possible to care for our impacted 'ohana.

I understand that the Legislature is concerned with the costs of response and recovery. My recent request for an emergency appropriation of \$362 million to cover unexpected costs for NCS program due to FEMA changing eligibility for over 800 households. We have been aggressively working to resolve eligibility questions for our survivors to bring our cost share down.

I recognize that this cost is significant, and my administration continues to raise ineligibility discrepancies among NCS program participants with FEMA. Once resolved, these discrepancies may result in cost savings. Already, my administration has successfully reduced state expenses by advocating for greater federal funding in Washington, D.C., with several members of the Cabinet and the President himself.

Specifics outlined below:

**FEMA Eligibility:** On February 20, FEMA deemed 820 households to be ineligible and our efforts continue to solve eligibility questions. On February 29, the number of ineligible households went down to 659 and today the number is 570. We are encouraged by this progress.

**Condos Now Covered by FEMA:** The state has also secured additional FEMA funding for our NCS program to support individuals housed in condominiums, a housing solution typically ineligible for FEMA assistance. While funding decisions and reimbursement from FEMA will take time, my administration is working with FEMA and our federal partners to ensure that every possible federal resource is employed to the benefit of survivors, those impacted, and our entire state. This additional support will decrease costs significantly.

**Debris Removal Savings:** Furthermore, we worked with FEMA to reduce the impact of these wildfires on the state's resources and have delivered more federal support. We increased the federal cost share for Public Assistance Category A (debris removal) and Category B (emergency protective measures) from 75 percent to 90 percent, meaning the state will only pay 10 percent of total eligible costs. Not only did my administration secure a federal cost share of 90 percent, but it also gained the commitment of FEMA to cover 100 percent of debris removal costs for a six-month period within the first nine months of the disaster and 100 percent of emergency protective measure costs, including NCS costs, for a three-month period within the first six months of the disaster. Together, these increased federal commitments will not only save the state millions of dollars but also strengthen the state's capacity to continue to support survivors. In addition, I have a pending request with FEMA to cover 100 percent of all debris removal. This would also result in significant savings for the 2024 budget.

Once the full cost of response and recovery for the first six and nine months of the disaster has stabilized, my administration will determine the most fiscally beneficial timeframes for 100 percent federal reimbursement. The receipt of these reimbursements will significantly decrease the state's response and recovery expenses.

While funding decisions from FEMA may take time and reimbursement for some recovery programs may take years to realize, increasing federal financial assistance is one of the most effective ways to reduce the state's response and recovery expenses. My administration is committed to working with FEMA and our federal partners to ensure that every possible federal resource is employed to the benefit of survivors, those impacted, and our entire state.

These encouraging developments represent just the start of my commitment to ensuring that our federal partners invest as much as possible in our difficult recovery process. HI-EMA is continuing to work with FEMA on these periods of reimbursement to clarify its guidance and ensure that our state is receiving the full level of support our state needs.

**Providing Housing and Managing Costs:** As part of urgent coordination with our Congressional Delegation, I am pleased to share that FEMA has determined that Compacts of Free Association (COFA) households qualify retroactively for federal assistance, following its review of recently enacted provisions related to eligibility for disaster assistance. As a result, FEMA will continue to work with the State of Hawai'i and other partners to provide critical assistance to these households.

From my first day in office, my administration recognized and prioritized solutions to the state's housing crisis. The wildfires only exacerbated this crisis. While the state's and FEMA's housing programs are supporting those who lost everything—including their housing—my administration is sensitive to the impact FEMA's program may be having on the local housing market.

My administration is working with FEMA to study how its program is affecting housing costs and availability on Maui. Once this study is complete, my administration will work with FEMA to improve the disaster housing programs for the benefit of survivors. Our first temporary housing project Kala'iola will be supported with \$40 million with generous philanthropic support from the Hawai'i Community Foundation. Partnerships with community leaders will continue to be integral to our collective response efforts.

While the wildfires may have affected housing on Maui, they have not affected my conviction that everyone should have access to safe, equitable, and fair housing.

In addition, to offset disaster recovery costs, my administration will examine all state contracts and encumbrances that have been open for an extended period to identify unneeded, surplus funds for redirection to wildfire recovery. I will update you on any information gleaned from this examination as it becomes available. In conjunction with this effort, my administration will explore other ways to mitigate ongoing costs so that we can support our state's core priorities in housing, healthcare, homelessness, education, and the environment.

Recovery from such a devastating disaster as the August 8, 2023, wildfires is neither short nor simple. Many variables remain unknown, including federal reimbursement timelines, eligible expenses, and other factors. In light of these uncertainties, I greatly appreciate the House Finance Committee's recent efforts to diligently review the Executive supplemental budget. We greatly appreciate the effort in House Bill 1800 H.D.1 to bring in resources at this critical juncture to finance our state's recovery.

This budget, along with my proposed legislative package, included many requests to support Maui's response and recovery efforts, including costs for fire response, disaster and climate mitigation, housing, and infrastructure. As our NCS population drops—already a 50 percent change from over 7,700 individuals to under 3,500 currently—we continue to work daily to bring recovery cost down after unexpected changes from FEMA on eligibility.

In summary, calculating current costs and forecasting future expenses is highly complex, and I appreciate the Legislature's patience, flexibility, and willingness to work alongside my administration throughout the recovery process. To date, efforts to control the cost share have resulted in substantial savings and we will continue to address costs and support those impacted by the Wildfire. Together, we will responsibly manage the state's financial assets in support of survivors and the entire state.

Mahalo,

A handwritten signature in black ink that reads "Josh Green". The signature is fluid and cursive, with the first name "Josh" being more prominent than the last name "Green".

Josh Green, M.D.

Governor, State of Hawai'i