



## The Senate

STATE CAPITOL  
HONOLULU, HAWAII 96813

Wednesday, April 1, 2020

### MEMORANDUM

TO: Senate President Ronald D. Kouchi  
FROM: Senate Special Committee on COVID-19  
RE: Senate Special Committee on COVID-19 Report

Dear Senate President,

Please see the attached report prepared following the March 31, 2020, Senate Special Committee on COVID-19 meeting with the following:

- Hawaii Emergency Management Agency
- Department of Business, Economic Development, and Tourism  
Business Development and Support Division
- Small Business Administration
- Department of Human Resources Development

Sincerely,

Senator Donovan M. Dela Cruz  
Senator Jarrett Keohokalole  
Senator Michelle N. Kidani

Senator Donna Mercado Kim  
Senator Sharon Moriwaki  
Senator Kurt Fevella

Attachment

Cc: All Senators

### **Hawaii Emergency Management Agency**

Luke Meyers, Administrator of the Hawai'i Emergency Management Agency, provided the Committee the following update in response to the COVID-19 pandemic.

#### **Major Operations**

- State Emergency Operations Center (EOC) is working in partnership with county, state, and federal agencies on several missions, including:
  - Travel restrictions and airport screening.
  - Testing for COVID-19.
  - Isolation and quarantine facilities.
  - Tracking of emergency spending (with Budget & Finance and State Procurement).
  - Maintaining the supply chain.

#### **Interisland Travel Restrictions**

- Restrictions go into effect April 1.
- The process will be similar to mainland travel restrictions.
  - Details will be completed in time to put measures in place.
  - EOC is working with state and local agencies on support plans.
- Exemptions to restrictions:
  - Similar to mainland travel exemptions.
  - Critical/essential employees.
  - Health/medical.

#### **Electronic Alert System**

- Counties have several options.
- Counties can send out regional messages.
- EOC serves as a backup and can send statewide alerts as needed.

#### **Use of Masks in Public Settings**

- Committee noted that:
  - Healthcare experts differ on the efficacy of masks for asymptomatic people.
  - Masks have been used in addition to social distancing to reduce spread in places such as Hong Kong, South Korea, and Singapore.
    - The Committee recommends a public message encouraging the use of masks in public places, particularly grocery stores and food service establishments.
  - Healthcare workers should get priority, especially for N95 masks.
  - Public can use other types of masks or substitutes (i.e., scarves).
  - Some public-facing workers (i.e., food and grocery services) and the public may benefit from worker's use of protective equipment such as masks and gloves.
- Meyers's responded with the following information:
  - Current CDC guidelines do not include guidance on the use of PPE for asymptomatic people or the general public.

- If the CDC changes its guidelines, EOC will get that message out to the public.
- PPE is in high demand and may benefit certain types of workers.

### **State and County Prisoner Release**

- Committee expressed concerns pertaining to the release of prisoners without first verifying the following:
  - They are safely housed.
  - Have been instructed on the social distancing and “stay at home” orders.
- Committee noted that prisoners being released need homes to return to and to take proper social distancing precautions.
- Committee asked which agency or individual is responsible for ensuring that released prisoners are housed safely and informed of the need for social distancing.
- Meyers's response:
  - EOC is supporting the Attorney General (AG) in this effort.
  - Meyers will inform the AG of Committee comments and concerns.

### **Response Planning**

- Committee asked for the current status of the phased response plan.
  - Meyers responded that plan is almost complete and will be shared with the Committee.
- Committee again requested a copy of the plan and a briefing by General Hara once it is complete.
- Committee asked about tracking what other jurisdictions have done in response to COVID-19.
  - Meyers's responded:
    - HIEMA and other agencies have been tracking what has happened in other states and nations.
    - HIEMA and the Department of Health have been in direct contact with other states regarding response plans.
    - Those jurisdictions were impacted by COVID-19 several weeks in advance of Hawaii and are learning from their responses.
- Committee suggested that the plans and response levels need to be clearly defined and explained to the public.
- Public needs to be clearly and regularly informed of the consequences of not adhering to mitigation strategies and what moving to a higher-level response will mean.
- Meyers's response:
  - Some jurisdictions have more clearly defined response levels and communicate that information to the public.
  - General Hara's plan has defined levels and triggers.
  - HIEMA is reviewing weekly and long-term impacts to make decisions about the level of response.
  - Meyers will share the Committee's comments with General Hara.

### **Supply Chain**

- Committee noted public concerns about supply chain having resulted in the hoarding of daily staples.
- Committee made the following suggestions:
  - State ensure the public is informed of the status of the supply chain and that hoarding is not needed or acceptable.
  - State work with retailers to limit sales of some staples to ensure that everyone has the supplies they need.
- Meyers's response:
  - Supply chain is secure, and we have sufficient incoming supplies for public needs.
  - State is receiving regular shipments, but there is a high demand for some staples.
  - HIEMA is in regular communications with the retail sector.
  - Some retailers have taken voluntary measures to ensure that those in need can get necessary supplies (i.e., kupuna hours and limits on certain goods).
  - Meyers will take comments back to General Hara.

### **Additional Comments**

- *Reporting of military cases* – HIEMA confirmed that all cases of military personnel contracting COVID-19 are reported to and included in the Department of Health reports.
- *Mayor Caldwell request for a stop to non-essential travel to Honolulu* – Meyer was unaware of any request, but would recommend that HIEMA review and input on any such request and whether it should apply statewide.

### **Department of Business, Economic Development and Tourism**

Administrator Dennis Ling, Business Development and Support Division, provided the Committee the following update.

#### **Economic Disaster Efforts**

- DBEDT's traditional responsibilities in marketing for Hawaii businesses domestically and internationally has diminished because of the impact of COVID-19.
- DBEDT has pivoted to be an advocate for small businesses. DBEDT's objectives include:
  - Increasing federal funding access.
  - Identifying state funding for new programs.
  - Communicating directly with businesses.
  - Developing FAQs.
- DBEDT will be a liaison for the statewide, county, and ethnic chambers of commerce.
  - In a Hawaii Chamber of Commerce's survey, respondents listed rent and mortgage relief as the top request for COVID-19 economic mitigation.
    - This is beyond the scope of DBEDT's responsibility.

- It can help with low or zero-interest loans and direct capital infusion or grants.
- DBEDT's Business Development & Support Division has been designated as liaison to the SBA.

### **Public Information Platforms**

- DBEDT's website [Invest.hawaii.gov](https://invest.hawaii.gov) includes updates on:
  - CARES Act programs.
    - Economic Injury Disaster Loan Program.
    - Payroll Protection Program.
- DBEDT has requested SBA's approval for a centralized hotline to help small businesses connect with resources and fill out necessary applications for federal assistance.
  - SBA is formalizing guidelines under the CARES Act, which will determine if DBEDT will meet the criteria for assisting in this way.

### **State Funding for Small Business Assistance**

- DBEDT has identified two existing state programs that may also offer assistance:
  - Disaster Loan Program.
  - Community Based Economic Development program.
- Both programs require further funding.
  - Disaster Loan Program comes with restrictions such as higher interest rates than desirable and needs additional funding.
    - Currently the revolving fund has \$100,000.
  - Community Based Economic Development program could provide microloans.
    - Currently has \$250,000.
  - A previous program, the Hawaii Capital Loan Program, had provided loans directly to small businesses but it was ended.

### **Economic Injury Disaster Loan Program**

- DBEDT worked with the chambers of commerce to collect 4,000 responses for applications.
  - Department will need additional staff, but is currently using DBEDT staff in responding to applicants.
- This enabled the State to be certified as an economic disaster, thus making it eligible for the program.

### **Payroll Protection Program**

- SBA is still developing guidelines for this program.
- CARES Act simplified the PPP application to make the process simpler than traditional SBA loan programs.

- DBEDT is urging all Hawaii businesses to apply immediately for the SBA's new Payroll Protection Program.
  - Program offers loan forgiveness for the first eight weeks of payroll expenditures.
- DBEDT states this program will also help new banks and credit unions become administrators of SBA loans.

### **Small Business Administration**

Ms. Jane A. Sawyer, District Director, US Small Business Administration Hawaii District Office, provided the Committee the following update.

#### **Economic Injury Disaster Loan Program**

- Provides a \$10,000 loan which may be forgiven.
- There will be assistance on-line to take the applicant through the process.
- There is a limited pot of money -SBA urges businesses to apply right away.
- SBA recommends that small businesses start the application process now, even though the business may not know the extent of the economic injury.
- Begin collecting documentation now to help you submit the application.
- No obligation to take a loan.
- No cost to apply.
- Turnaround time between application and funding of the loans is currently uncertain.
- To apply go to <https://covid19relief.sba.gov>.

#### **Payroll Protection Program**

- Will cover the costs of payroll for all types of employees and independent contractors
  - Full-time and part-time.
- The PPP covers fixed costs that include:
  - Salaries.
  - Wages.
  - Commissions, or other compensation.
  - Cash tips or equivalent.
  - Sick leave.
  - Paid leave.
  - Health care benefits, including premiums.
  - Retirement.
  - State and local taxes.
- There is a limit of \$100,000 in compensation per position.
- SBA is still considering other costs that would be needed to keep a business running for three months, such as rent.
- Many of the usual criteria for these loans have been waived.
- Banks will have the applications for the Payroll Protection Program.

- SBA is still developing guidance and hopes to have the information to the banks this week.
- Application period ends on June 30th, 2020.
- SBA will advise this Committee once the application for the PPP is available.
- For additional information, go to <https://www.sba.gov/funding-programs/loans/paycheck-protection-program-ppp>.

### **Additional Resources**

- SBA may appeal to Congress to increase the limit of funding of programs.
- SBA hopes to create a call center to assist small businesses and to combine our resources with DBEDT to be more powerful and effective.
- SBA would appreciate anything you can do to spread the word, and the SBA will provide info to you for your constituents.
- For detailed information, visit the following:
  - The SBA website <https://www.sba.gov/>
  - SBA loan resources <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
  - The Treasury website <https://home.treasury.gov/and>
  - the Senate Small Business and Entrepreneurship website <https://www.sbc.senate.gov/public/>

### **Department of Human Resources Development**

Director Ryker Wada provided the Committee the following update.

#### **Crisis Categorization of State Workers**

- DHRD will be requesting, in the next day or two, that each state agency to define and categorize its workers into three categories:
  - Essential workers: those performing critical work to keep the state functioning.
    - These workers are to practice social distancing and other safety protocols, even when they are at their workstations.
  - Non-Essential Teleworker: those who can do non-critical work from home.
  - Non-Essential Non-teleworker: those whose functions are non-critical, but who are unable to do that work from home.
    - These employees are on-call and can be called into work as needed.
- Each department is responsible for providing the lists for that department.
- DHRD expects the deadline for the departments completing these lists and returning the info to DHRD to be about a week.
  - Once the information is compiled, DHRD will be able to determine which workers can be redeployed if Chapter 89 is suspended by the Governor's emergency proclamation.
  - Governor's Proclamation states that all workers will be paid through April 30.

- Department of Budget & Finance will make any decisions regarding the need for any future furloughs.
- Crisis will allow/require DHRD to do a full reimagining of how state defines work and how it is to be done.
  - DHRD may be able to re-engineer how the state workforce functions and how it can best serve the public.
- DHRD stated that the Committee would receive the timeline for receipt of all information pertaining to these lists that are permitted under current law.
- DHRD will provide the list of crisis category employees to the Committee.

### **Redeployment of State Workers**

- Committee suggested that some state agencies, such as DLIR's Unemployment Office, need additional workers to help them remain functional during the crisis and that some employees be redeployed to aid those departments.
  - Wada's response:
    - Governor's Proclamation provides the authority to suspend Chapter 89.
    - Governor has not yet suspended Chapter 89.
    - Redeployment is not permissible until Chapter 89 is suspended.
    - DHRD has had some discussions with state worker unions to plan for potential redeployments if Chapter 89 is suspended.
    - DHRD has not worked with state worker unions to plan for employee redeployment or other actions with progressive levels of threat
      - This action was requested in March 11 memo to the all departments.
    - If workers are redeployed in specific response to COVID-19, the federal CARES Act may allow for the reimbursement of those salaries and costs directly connected to COVID-19 response.

### **Emergency and Contingency Planning**

- Committee asked on March 11 for DHRD's emergency and contingency plans, as well as information regarding the crisis and categories to be applied to the state workforce.
  - Wada's response:
    - Plans were sent to the Governor's Chief of Staff and General Hara.
    - Information regarding DHRD's work with the agencies is regularly provided to the Senate President and Clerk's Office.
    - Plans were drafted last year and have not since been substantially updated.
      - Some changes made in direct response to COVID 19 (i.e., to account for social distancing), but the core of the plans is unchanged.

-End of Report-