



The Senate

STATE CAPITOL
HONOLULU, HAWAII 96813

Thursday, April 23, 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 April 22, 2020, Senate Special Committee on COVID-19 meeting with the following:

- Department of Taxation
- Hawaii Agriculture Foundation
- Department of Health
- Hawaii Emergency Management Agency
- Department of Human Resources and 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

Department of Taxation

Ms. Rona Suzuki, Director, provided the Committee the following update in response to the COVID-19 pandemic.

Federal Funding

- Seventy-seven programs are being federally funded in response to COVID-19.
 - Hawaii's share of those funds could be \$6B.
- Not all programs will be direct funding to the state.
 - Several programs, such as the Paycheck Protection Program, will send funds directly to eligible businesses or individuals.
 - Each federal program has different parameters and deadlines.
- Direct funding to the state may reach \$1.25B.
 - Details and Federal guidance for this funding have not yet been released.
 - Funding can only be used to respond to COVID-19.
 - Ms. Suzuki indicated that it might be possible to use a "special project designation" to redeploy state employees and resources to respond to COVID-19 and be reimbursed for those efforts by the federal government.
 - Per the Committee's request, Ms. Suzuki will notify the Committee when this designation is used.
 - The federal government has a loan program for states, and the state is reviewing options regarding this loan program.
- The state has a website with an overview of these programs.
 - Per the Committee's request, Ms. Suzuki will provide that website address.

Hawaii State Oversight

- Ms. Suzuki's role is to alert the various state agencies of federal funding deadlines.
- The process was described as:
 1. Federal agency receives funding as determined by federal legislation.
 2. The federal agency notifies the agencies of potential program funding.
 - a. Alternatively, Ms. Suzuki hears of such programs and alerts the corresponding state agency.
 3. The state agency reviews the program and makes an independent decision whether to apply for the funding.
 4. The state agency applies for program funding.
 5. The federal agency determines whether to approve the state agency's application.
 6. If approved, the federal agency makes a grant/funding award.
 - a. The federal agency notifies the state agency of the award.
 - i. The state agency notifies the state Department of Budget and Finance (B&F) of the award.
 7. The state agency executes the program as required.
 8. B&F tracks the program funding and makes necessary reports to the federal agency.

- The Committee requested that this decision flow chart be provided in writing.
- Each department is responsible for determining whether to apply, applying for and monitoring any programs for which it may be eligible.
- There is no one person or agency that is tasked with determining which programs should be applied to or determining the state's priorities for funding.
- The Committee requested that the administration develop and share its plan and priorities for federal funding.
- The Committee strongly suggested that one person be given the overall responsibility for the administration maximizing applications for and the use of any available federal funds.
- The Committee strongly suggested that the administration has lost valuable time that could have been used in preparation to maximize the use of any available federal funds and noted that the Committee had asked for such plans a month ago.
- The Committee requested that the administration clarify the lines of communication and the command structure for the COVID-19 pandemic response efforts.

State Tax Office

- Ms. Suzuki indicated that the state tax office is operational and processing tax returns.
 - The tax office contact center is operational and answering taxpayer questions.
 - Taxpayers with "clean" returns who file electronically should receive any rebates due within a few days of filing.
 - The tax office staff has been reassigned to help speed the processing of tax returns.
 - Per the Committee request, The Department of Taxation (DoTax) will provide filing & rebate statistics and deadlines.
- The tax office is assisting the Department of Labor and Industrial Relations (DLIR) to process tax information for contract workers who are applying for unemployment insurance (UI) compensation.
 - The tax information for these individuals needs to be provided to the federal government before UI claims can be processed.
 - The DLIR is setting up a new website – to be ready in mid-May – specifically for this class of worker.
 - Any contract worker who has applied already does NOT need to reapply for UI.

Hawaii Agriculture Foundation

Ms. Denis Yamaguchi, Executive Director

Federal Assistance to the Restaurant Industry

- The USDA will provide \$3B for foodservice industry with \$100M per week to purchase.

- The Department of Agriculture (HDOA) is responsible for acquiring funds for Hawaii restaurants.
- Fishing Industry was left out of assistance.

Economic Impact on the Restaurant Industry

- Since March, more than 53 thousand, or 75% of restaurant employees in Hawaii, were laid off or furloughed.
 - There's been a 79% decline in sales from April 1 through April 10.
 - The estimated economic loss is \$380 million thus far.
- A survey found that restaurants need immediate support for:
 - Marketing and traffic to their restaurants.
 - Rent relief.
 - Innovative ideas on how to operate.

Food-A-Go-Go

- The platform Food-A-Go-Go launched on March 23 and provides marketing support for 1200 restaurants and local eateries open for takeout, delivery and/or curbside pickup.
 - Market support includes social media, radio, and Televised public service announcements.
- Hawaiian Airlines and Bank of Hawaii Mastercard provided \$40K worth of gift cards.
 - Another sweepstakes campaign will start in May worth \$100k.
- Restaurant Rescue Program.
 - Volunteers are contacting small mom and pop restaurants to get them registered on Food-A-Go-Go.
 - Providing support for small restaurants to assist with CARES Act funding
- Elite Parking is partnering in a pilot program for a delivery service that does not charge restaurants on the backend like UberEats, GrubHub, etc.
- The next step, information to connect people directly to farm produce – similar support in marketing and reaching to small farms.
 - One difficulty is a language barrier with some farmers.
 - This will help with the sale of locally made products from farms

Kokua Restaurant Workers' Fund

- Private donors have contributed to a fund to provide restaurant and bar workers with P-Cards valued at \$250 for use at local restaurants.

Department of Health & the Hawaii Emergency Management Agency

Dr. Bruce Anderson, Director, Department of Health; and

Dr. Steven Hankins, Lead Director, Hawaii Emergency Management Agency, provided the Committee the following update.

Statewide Coordination

- The Hawaii Emergency Management Agency (HIEMA) is providing a broader response to COVID-19 by bridging in branches of stakeholders, including DOH, medical sector, public health sector.
- HIEMA is not in charge of coordinating all branches; instead, it is acting as an interface.
- HIEMA has centralized data critical to COVID-19 response.
 - This includes data on case numbers from The Department of Health (DOH), availability of medical equipment and PPE, and capacity of hospitals.

Relaxing Social Distancing

- DOH and HIEMA detailed the circumstances and needs to begin relaxing COVID-19 restrictions.
 - A trend of at least two weeks of a low number of new cases.
 - Robust testing and surveillance system.
 - Reliable contact tracing system.
 - A ready supply of medical supplies and hospital capacity.
- Any reopening will likely be incremental.

Disclosure of Clusters

- Following questions from the Committee DOH and HIEMA recommended caution in releasing information of cluster locations and businesses associated with clusters to avoid stigmatization and retaliation and to ensure individuals feel comfortable providing a history of contacts.
- DOH will release data on businesses associated with a cluster if it is in the public's interests.

Testing Capabilities

- DOH is now testing all close contacts of individuals testing positive, not just those contacts that are symptomatic.
- In total, Hawaii's laboratories can process up to 3 thousand tests per day and there are 12,300 test kits available
- DOH receives free test kits but is not aware of the prices for private laboratories.
- The certification of the JABSOM laboratory is still being processed.
 - DOH and HIEMA expressed the need for the additional public laboratory just in case issues arise with private labs.

Travel Restriction

- Dr. Anderson advised against lower travel restrictions in the near future.

Questionable Testing Practices

- DOH is advising against anti-body testing because tests have not been FDA approved, and results cannot be validated.
- Advertisements of COVID-19 testing appears misleading for residents who are not aware that they must get flu and strep throat tests before receiving COVID-19 tests.

- The Attorney General will review the state's authority to regulate tests that are not FDA approved.
 - DOH and HIEMA suggested that legislative fixes may need to clarify their regulatory authority.

Recovery Clearances

- Under CDC guidelines, a person can be cleared of COVID-19 by two methods:
 1. When two tests return negative, or
 2. Seventy-two hours have passed after the resolution of symptoms.
- Hawaii is utilizing the non-testing clearance criteria in order to conserve resources and time.

Department of Human Resources Development

Mr. Ryker Wada, Director, provided the Committee the following update in response to the COVID-19 pandemic.

Unemployment Insurance Compensation

- Two hundred forty-six state employee volunteers have attended training at the convention center.
 - A second group will be trained tomorrow (Thursday, April 23).
 - The third group of 120 will be trained next week.
 - Most of these employees are likely category 3 (non-essential, non-telework) employees.
 - 9 DHRD staff members have been redeployed to the convention center.
 - They are tasked with keeping records of state employee reassignments to be used to get reimbursement from the federal government.
- In total, 31 of an available pool of approximately 600 state employees have been redeployed.
 - An additional 40 are ready to be redeployed but are on hold due to activity at the convention center.
- Per the Committee's request, the Department of Human Resources and Development (DHRD) will provide an update on all state agencies that have or plan to request redeployed state workers to assist in pandemic response work.
 - The Department of Economic Development and Tourism (DBEDT) and the HDOA have withdrawn redeployment requests.
 - DOH filed a request for redeployed workers today, and DHRD is reviewing that request.
- Per the Committee's request, the department will provide an updated list of category 3 (non-essential, non-telework) employees noting which have already been deployed and details about that redeployment.
 - DHRD has requested that departments provide an updated list by Friday and will provide such info to the Committee next week.

Report of the Senate Special Committee on COVID-19
Wednesday, April 22, 2020

- DHRD does not have jurisdiction over the Department of Education or University of Hawaii employees.
- Per the Committee's request, the department will provide legal definitions and distinctions of "volunteer" and "redeployed" state workers as those definitions relate to the current situation.
- Per the Committee's request, the department will confer with DoTax to determine the best method of ensuring that any redeployment of state workers in response to the COVID-19 pandemic is a reimbursable expense through the federal COVID-19 relief laws.

-end of report-