



The Senate

STATE CAPITOL
HONOLULU, HAWAII 96813

Tuesday, March 31, 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 30, 2020, Senate Special Committee on COVID-19 meeting with the following:

- Office of the Governor
- Department of Budget and Finance
- Department of Labor and Industrial Relations
- Department of Human Services

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

Office of the Governor

Ms. Linda C. Takayama (Chief of Staff to the Governor), provided the Committee the following update in response to the COVID-19 pandemic.

Committee/Senate Request for Departmental Emergency and Continuity Plans

- A request was made on March 11th for all departments to review the Washington State CEMP NPI Policy and Implimentation Playbook and to then provide their mitigation protocols and activities strategy.
 - When plans were not received, a follow up was sent via email on March 16th to all departments.
 - On March 26th a third request was sent via memo to Ms.Takayama requesting the department mitigation protocols and activities strategy.
- Ms. Takayama fielded questions around her decision not to allow departments to respond directly to the Committee with requested information.
 - Ms. Takayama initially denied instructing departments not to respond to the Committee regarding individual department plans.
 - The rationale provided to the Committee about the decision to have the correspondence of the departments routed through the Governor's office was that it was made in the interest of providing consistent information to the Committee.
 - Ms. Takayama claimed that the department plans had been sent to the Committee.
 - It was later found that the information sent to the committee was not the requested department mitigation protocols, but a separate set of informational requested by the Senate Committee on Ways and Means regarding budget reductions.
 - Ms. Takayama was unable to provide a clear explanation for why she did not provide departmental emergency and continuity plans to the Committee.
 - Ms. Takayama stated that she did not recall having a conversation with Attorney General, Claire Connors, regarding forwarding department plans to the Committee.
- Stated that moving forward, the departments will be allowed to cooperate with the Committee and provide information directly.
- The Committee questioned her authority to allow or disallow the dissemination of information to the Senate.
- The Committee recommended the Governor plan daily press conferences to update the community.

COVID-19 Emergency Management and Decision-Making Structure

- Indicated that her role was an undefined "senior leadership" role.
 - She said she has no decision-making authority.
- Governor is the apex of the emergency response team, and MG Hara is the Incident Commander.

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- Takayama will confer with the Governor and MG Hara regarding the Committee request for a copy of the organizational and decision authority structure of the emergency response team and the relationship with state department heads; the timeline for receiving this structure is undetermined.
- Takayama will discuss with the Governor the possibility of a regular meeting with the Committee and daily press conferences.

Federal Relief Funds

- Takayama indicated that the Department of Budget and Finance would most likely be tasked with auditing and maximizing the use of all federal emergency funds.
- The federal emergency relief funds must be spent on COVID-19 responses and must be expended by the end of the year.

Department of Budget and Finance

Director Craig Hirai provided the Committee the following update.

Federal Funding

- The most recent federal CARES Act addressing COVID-19 provided additional funds to public assistance programs, as well as direct cash to state governments.
- The State of Hawaii will directly receive \$1.5 billion in federal funding.
- The funds must be allocated by the State first before accessing the funds.
- The funds are to be used exclusively for expenses related to COVID-19.

State Budget Plans

- New federal funding might not be immediately available for programs.
- Department is working with agencies to determine whether they will immediately or eventually run low on funds before federal dollars arrive.
- State will need to provide cash advances in some instances until qualified expenses can be reimbursed.
- Department is working on new revenue projections to determine the available cash flow to agencies and needed programs to address COVID-19.
- Department will provide more information on agency plans to the Senate.
- State will continue to release CIP funds.
 - Department will review whether any CIP projects have lapsed funding that was not expended in the last two years.

Department of Labor and Industrial Relations

Director Scott Murakami provided the Committee the following update.

Federal CARES Act

- Benefits will expand to include independent workers or those with 1099 forms.
- Benefit period will increase from 26 to 39 weeks.

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- There will be a "plus up" of \$600 per week to a maximum of \$1,248.
- Department will require an addition of 57 positions just for the federal programs.
- Department will need an additional \$9.9M to administer the funds.
- Department has made recommendations to the federal government on how to reduce these costs.

Rudder Program

- Utilizes monies in the Employment Training Fund (currently holds \$4M).
- Will allow the Department to pay employers \$1,000 to retrain and keep employees.
 - \$500 at the point of hire.
 - An additional \$500 once the employee has been retrained.

Unemployment Claims

- Accessible via standard online web portal.
- Claimant will receive an email on the same day providing a Claim ID Number.
- Using the new Web Form system, it will take longer than a day.
- Data must be inputted into the mainframe but the claimant should receive a confirmation shortly thereafter.
- In the normal course of events, the Department has a 21-day payment window.
 - Given the current volume of claims, the Department may not be able to keep within the 21-day timeframe.
- Department has requested additional funding to upgrade the 10-year-old mainframe to manage the increased claims.
- Department has identified 11,000 duplications in claims.
- The Trust Fund making payouts for claims will be exhausted sometime between April 29 – June 3, 2020.

Phone Banks

- Claimants may call 833-901-2252 for assistance with filing a claim.
- New phone banks are now operated on holidays and Saturdays.
- Department has increased the phone bank staffing from 7 to 45 employees.
- State Senate has provided volunteers to assist.
- There may still be some difficulties given the volume of calls.
 - February 24 call count: 183
 - March 24 call count: 24,523
- Currently, the Department can only staff the call center from 7:45 a.m. to 4:30 p.m.
- Labor unions have been reaching out to their members to assist in filing claims.
- Department will produce and provide division descriptions as well as contacts for incoming questions related to services.
 - Will be provided to the Committee at a later date.

Small Business Administration Loans

- Department believes it is better to focus on keeping people employed using SBA loans.

- Loans can be forgiven if the business maintains accurate records.

Department of Human Services

Director Pankaj Bhanot provided the Committee the following update.

Service Updates

- Department is doing everything possible online, by phone, or video to minimize face to face contacts.
- Department has applied for federal waivers to do more programs at a distance.
- Other states have received approval, Hawaii has not.
- Department will continue to request/work process to receive waivers.
- Department will provide updated numbers directly to the Committee.
- Department will produce and provide division descriptions as well as contacts for incoming questions related to services.
 - This will be provided to the Committee at a later date

Adult Daycare

- Department is allowing center operators to become home-based care providers.
 - Provider must apply to change the designation.
 - A state executive order is needed to allow the change.
 - Providers will then be allowed to travel to homes to provide care.
- Department is working on a waiver to allow a portion of subsidy work to be done by telephone.
- Department has a conference call three times per week with providers.
 - Providers have called clients to discuss care.
 - Most clients are receiving care at home from family members.
 - Plan is to send caregivers to homes to ensure an adequate level of care.

SNAP

- 100% federally funded program.
- Department has requested waivers in multiple areas.
- Able-bodied adults are typically limited to 90 days of benefits; have requested waivers for an extension of benefits.
- EBT cards are being mailed (not distributed in person).
- First-time applicants:
 - Typically, in-person, are now on-paper applications.
 - Department has created an electronic application process:
 - The applicant can email, online, print & mail, or drop off the application.
 - Waiver to allow the use of a photo of signature with a telephone confirmation.

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- Current recipients:
 - Waiver to extend certification by six months.
 - Certification due in March/April/May will be automatically extended by six months.
- Education requirements have been waived due to a lack of availability of such programs.
- Department has requested a waiver for part-time students' 20-hour work requirement.

General Assistance for the Disabled

- Department will temporarily approve all applications.
- Inability to have doctors do assessments at this time.
- Will redetermine the status of the process in 90 days.

Treasury Offset Program

- Recovery of any overpayments is deferred until September.

Childcare

- Department has authorized emergency childcare for first responders and essential employers (i.e., DHS staff not previously essential, but now are).
- An executive order is to be issued today (March 30) waiving licensing agreements.
 - Will raise the age of children allowed to be cared for in facilities.
- Allow cleared staff to work at another center or provider.
- Department has waived income requirements temporarily.
 - Typically income of less than 85% of the median required.

Child Welfare/Adult Protective Services

- Department will continue essential services.
- Federal waiver to use video and other non-in person means to check on clients.
- Abuse lines are all staffed and open.
- Votech rehab (blind and deaf) is currently using online and telephone services.

Houseless Community

- Essential services still being provided.
- Department is in close contact with providers and will be flexible on needs and terms with the providers.
- Department is looking at hotels and other facilities to provide housing while complying with CDC requirements.

Abuse (Domestic/Sexual)

- Shelters are open and operating.

Service providers (non-profits)

- Department is providing options (telephone, online, etc.) to avoid face to face contact.
- Providers must remain open to receive payment.

Caseload medical insurance

- Med-QUEST
 - 20% increase over January and February applications.
 - Caseload up 40% compared to February.

Federal Funds

- Department is a direct federal funds recipient.
- Includes multiple programs.
- Department will receive funds directly from the Federal CARES Act.
- Department is working to identify the amount of funds and requirements.
- All expenses must be COVID response.
- Waiving requirements will add costs but keeping clear records of expenditures to get reimbursements.
- Medicare a 6.2% increase
 - Potentially \$100M or more, but the Department is monitoring closely.

-End of Report-