



## The Senate

STATE CAPITOL  
HONOLULU, HAWAII 96813

Monday, April 20, 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 17, 2020, Senate Special Committee on COVID-19 meeting with the following:

- Office of the Governor
- Department of Human Resources Development
- Department of the Attorney General
- Department of Commerce and Consumer Affairs
- Department of Transportation – Airports Division
- Hawaii Tourism Authority

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 Chu Takayama, Chief of Staff, provided the Committee the following update.

#### **FY2020 Budget**

- The State is projecting a shortfall of \$1.2 to \$1.5 billion in this year's budget (FY2020).
  - The initial budget for FY2020 was \$8 billion.
  - There is a \$7 billion carryover, but some funds have already been spent.
  - The current monthly expense rate is \$550 million.
- We will have a better idea of the state's economic condition after April's revenue report.
  - This report will show the initial impact of the two statewide measures enacted in March:
    - Stay at Home order (March 20), and
    - the Travel Quarantine order (March 26).
  - April numbers will come out MAY 10<sup>th</sup>.

#### **Bond Market**

- Because of the projected shortfalls in revenue, Moody's Analytics has downgraded our state's outlook from stable to negative.
  - This means our state will have a tougher time to access the bond market.
- Prior to Moody's announcement, the state had already secured a short-term bond sale, which will provide \$300 million for the budget to help over the next 18 months.
- To keep our situation in perspective, bonding agencies are in turmoil right now nationally and internationally.
  - All states are in similar situations, but Hawaii will be impacted more because our major industry, tourism, is directly impacted.
  - Our state will take longer time to recover than other states because they have manufacturing plants and industries that will take less time to recover.

#### **CIP Projects**

- The Governor requested that Departments begin all shovel ready CIP projects that have previously approved bond finance.
- The Governor will request more for CIP projects when the legislature reconvenes.

#### **Budget Cuts**

- The projected \$1.5 billion shortfall will now leave the State with only \$6.5 billion.
- Over half of the State budget will be fixed expenses, so only \$2.5 billion will be available to fund nonfixed costs.
  - The Governor has frozen all new hires, and departments will not extend contracts of 89-day hires.
  - The Governor is considering many options of cutting the budget, including furloughs and pay cuts.

- The Governor is considering cuts to the DOE because it has the largest budget and most employees.
- The Governor is considering furloughs and pay cuts but believes furloughs in combination with unemployment insurance will provide income close to employees' original salaries.
- The Committee on Ways and Means is requesting Departments to offer plans to cut budgets by 16%, 25%, and 30% in order to find savings through program changes before a discussion of furloughs and pay cuts.
  - Ms. Takayama indicated that those requests were being filtered through the Department of Budget and Finance.
    - The Committee expressed its extreme dismay that its requests for information were once again being censored by the Administration.
    - Citing numerous issues of delays and obstruction since the beginning of this emergency, the Committee reminded Ms. Takayama that the departments are legally required to respond.
    - Additionally, the Committee requested that the Administration seriously take into account the unique nature of the state's situation and the critical need to share information quickly.
    - The Committee indicated that the Senate would need to consider a vote of no confidence, may pursue a subpoena of the information, should the issues continue.

### **Federal Funding**

- The CARES Act
  - Through the new federal stimulus package, the CARES Act, Hawaii will receive an additional \$4 billion for specific programs and an additional \$1.5 for State costs related to COVID-19.
    - Of the \$1.5 billion, funding can only be paid to COVID-19 expenses occurring on March 1, 2020 through December 31, 2020.
    - The \$1.5 billion must go through a strict procurement process, but the guidelines are unclear right now.
    - To cover costs, the State is recharacterizing some of its projects.
  - Because Honolulu County has over 500 thousand residents, it received 45% of \$1.5 billion, leaving the rest of the State with \$867 million for statewide expenses.
  - The additional \$4 billion in program funding also has strict procurement requirements, which do not align with the Governor's proclamation waiving specific state procurement requirements.
    - For example, for the FMAP share, the federal government payment portion will increase by 6%, but the State is restricted from releasing residents from the Medicaid roll.
- Future Federal Stimulus Package
  - Congress is discussing a fourth aid package.

- All Governors are requesting funding for general funds that allow leniency in addressing budget shortfalls.
- Lastly, the Committee once again asked that the Administration turn over the initial departmental emergency plans requested by the Committee on March 11<sup>th</sup>.

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

Director Ryker Wada provided the Committee the following update.

#### **Redeployment of state workers**

- DLIR needs 89 employees for claims review and call centers.
  - 16 category 3 staff have been redeployed
  - Twenty more will be redeployed next week.
- DHRD is vetting category 3 staffing lists for 60 additional employees to be redeployed.
- DLIR has requested an additional 5 employees for IT services.
  - However, only two employees qualified from the category 3.
  - DHRD sent over 3 IT employees that were considered category 2 essential staff.
- Category 3 list will undergo changes as Departments recall employees.
  - The Departments are organizing social distancing measures and expanding access to remote working.

### **Department of the Attorney General**

Ms. Clare Connors, Attorney General, provided the Committee the following update.

#### **Landlord-Tenant Issues**

- Governor today announced an eviction moratorium.
  - Prevents evictions until April 30, but this date may be extended in a future proclamation.
  - Per the Committee's request, the Attorney General will confirm whether the moratorium applies to court-ordered evictions already in process and new eviction proceedings.
  - Per the Committee's request, the Attorney General will verify what is covered by the rent freeze.
  - Per the Committee's request, the Attorney General will confirm whether specific fees such as late fees can accrue during this period.
  - Per the Committee's request, the Attorney General will confirm whether particular fees such as parking fees and electricity charges can be increased during this period.

#### **Reconvening the Legislature Remotely**

- Article 3, Section 10 of the State Constitution governs where the Legislature shall meet.

- If the Capitol is deemed by the Governor to be unsafe, a place other than the Capitol may be designated.
  - This would suggest that a virtual meeting space would be sufficient to reconvene the Legislature.
- The State Constitution is silent on the remote participation of the Members, so the Senate and House may need to amend their rules accordingly.
  - Attorney General suggested that such amended rules allow for individual members to be physically present at the Capitol while simultaneously allowing others to participate remotely.

### **Governor's Emergency Proclamation**

- Requires the use of face coverings (masks) in public places.
- Closes the state beaches.
- Restricts boating.
- Restricts hiking.
- Mandates that essential business operations employees wear face coverings.
- Executive order issued regarding liability provisions for health care facilities.
- Executive order issued regarding the suspension of certain laws to allow the continued operation of state government.
- There is likely to be an additional proclamation next week, extending all or most of the items in the current proclamations.
- Per the Committee's request, the Attorney General will discuss adding items from the Governor's Proclamation to the HIEMA Incident Response Plan.

### **Airline Passenger Quarantine Program**

- Perfecting the quarantine program is still a work in progress.
  - Per the Committee's request, procedures have been amended so all passengers will be checked prior to leaving the airport via thermal screening, verification of phone and residence addresses and signing a quarantine document attesting to all information and requirements before releasing into the community.
  - The required forms continue to change and now include a local resident address.
  - The app allows for voluntary location tracking of visitors.
  - All forms (including the webform/app) required to be completed by visitors and returning residents are now legal documents and allow for those who falsify the information on the forms to be arrested and criminally charged.
- The State is unable to immediately return visitors who arrive without a full 14-day reservation and a place to stay due to legal due process issues.
  - Per the Committee's request, legal options regarding short term visitors are being reviewed.
- The State is unable to charge visitors a fee or surcharge to cover COVID19 related expenses due to the absence of an established fund into which such funds could be deposited and from which funds could be appropriated.
  - The Legislature would need to amend the law and create such a special fund.

- Per the Committee's request, the Attorney General will explore the legal issues regarding the safe transport of visitors between the airport and their residence.
- Per the Committee's request, the Attorney General will explore the legal options regarding testing visitors at the end of their 14-day quarantine period.
- Per the Committee's request, the Attorney General will explore the legal options regarding the state reviewing the information on airline passenger manifests.
- Per the Committee's request, the Attorney General will continue to review the legal and policy issues surrounding the 14-day quarantine policy.

### **Department of Commerce and Consumer Affairs**

Ms. Catherine Awakuni Colón, Director

#### **Department Operations**

- The Department is fully operational.
  - Most staff performing their duties remotely.
  - All programs, including pending investigations are continuing remotely or by phone.
  - Staff has been internally redeployed to meet its needs.
- Business licenses continue to be processed.
  - Some of the executive orders have relaxed the timing of renewals and reduced the strain on the system.
  - Some investigative work has slowed due to the inability to meet in person, but investigations (and any fines) for divisions such as RICO are proceeding.

#### **Landlord-Tenant Issues**

- The call center is taking @50 calls per day.
  - The Department staff responds to both voice mails and email messages.
  - Per the Committee's request, the Department will provide a report on the numbers and sources of consumer contacts.
- For landlords with a federally-backed mortgage can receive some relief from the federal government – CARES Act allows for mortgage payments to be deferred until the end of July.
- For landlords with a private mortgage, most local banks seem willing to work with mortgage holders on payment plans or other remedies.
- Per the Committee's request, the Department will provide information and links to information regarding renter and landlord relief.
  - The Department will update all information to account for the new emergency proclamation, eviction moratorium, rent freeze, and other issues raised.
    - Contact information for all relevant programs will be included.

#### **Federal CARES Act**

- Division of Financial Institutions - as of this week, HI banks are processing approximately 11 thousand CARES Act applications.

- Per information from the Bankers Association, HI has received more than our “fair share” of Paycheck Protection Program funds.

### **Utilities**

- All major utilities, energy and telecom, have announced voluntary suspensions of service terminations & late fees as well as payment plans for customers impacted by the pandemic.
- The major telecom companies have opened their wifi hotspots to the general public.

### **Governor’s Emergency Proclamation**

- Per the Committee’s request the Department will continue to communicate the parts of the Proclamation that are within the Department’s purview including but not limited to;
  - Website updates.
  - Press releases.
  - Paid advertisements.
  - Facebook.

### **Fly by Night Virus Testing**

- Per the Committee’s request, the Department and Attorney General will, in cooperation with the Department of Health, look into the issue of the virus testing stations that have recently popped up in the state to ensure that their activities are legal and proper.

### **Hawaii Tourism Authority & Department of Transportation – Airports Division**

Mr. Chris Tatum, CEO, Hawaii Tourism Authority; and

Mr. Ford Fuchigami, Administrative Services Officer, Department of Transportation – Airports Division, provided the Committee the following update.

### **Hotels for Heroes Program**

- Allows first responders and health care workers to stay in a hotel free of charge
- To date, the Hawaii Tourism Authority (HTA) has booked over 900 nightly stays for the program.
  - Each stay costs \$85 plus taxes and fees.
  - HTA is using funding from its sports event marketing budget since none of those events will take place.

### **14-Day Visitor and Retuning Resident Quarantine Program**

- Mr. Fuchigami updated the Committee on the Airports’ and HTA’s updated 14-day visitor quarantine program.
- HTA has asked that the travel trade press not publicize Hawaii, and HTA has stopped all marketing campaigns during the pandemic.
- The daily airline passenger count has dropped from nearly 30,000 per day to approximately 130 visitors per day.

- The 14-day visitor and returning resident quarantine program is an evolving process, and DOT-Airports and HTA continue to adjust the challenging program.
- There is a similar process for both visitors and returning residents.
  - Airlines are being asked to alert passengers to the quarantine and the program requirements through their websites, reservation confirmation communications, boarding gate announcements.
  - Per the Committee's request, copies of the Governor's Emergency Proclamation will be sent to all CEO's of airlines that fly to Hawaii.
  - Per the Committee's request, the HTA will confirm what social distancing tools are being employed by the airlines that fly to Hawaii.
- Before landing, the airline makes an announcement about the program, and the requirements, Department of Agriculture, and Inter-Island Travel forms are distributed (passengers may choose to complete a web form and an app).
  - Per the Committee's request, a question regarding how the passengers are traveling between the airport and their hotel will be added to the forms.
- Upon exiting the plane and while on the jetway all passengers are given a thermal/temperature check by National Guard troops.
  - Passengers with a high fever are segregated with medical personnel for further examination.
  - If a passenger refuses the thermal scan, law enforcement officers will give them the option of either completing the program or being arrested.
- Screeners are mostly HTA contractors.
  - 16 contractors in total.
  - Paid \$30 per hour.
  - Per the Committee's request, the DOT-Airports will redeploy DOT staff to fill some or all the screening roles being done by contractors.
- Passengers who pass the temperature check hand their completed forms to a screener at the bottom of the jetway.
  - The documents are checked for full completion.
  - The screener compares the passenger's identification to the information on the form.
    - Passengers refusing to complete the form are given the option of completing the form or being arrested by law enforcement.
    - Passengers falsifying the information on the forms are referred to law enforcement and face arrest.
  - Those who complete the form accurately are then given the self-quarantine program forms to complete and sign, the screener verifies the completed program forms and serves as a legal witness.
  - The screener checks the telephone contact info by calling the passenger's cell phone while the passenger is present – if the phone number is falsified, the passenger is referred to law enforcement.
  - For visitors, the screeners call the hotel the visitor has given to confirm the passenger's reservation.

- Anyone who does not have a reservation is given the option of taking a return flight immediately or being arrested.
  - Most of the airlines will put the visitor on a return flight.
  - HTA has a fund to pay for flights the airlines will not cover.
  - To date, HTA has paid for 11 return flights.
- The Committee asked that the screener, while on the line with the hotel, confirm that the visitor has a 14-day reervation.
- For returning residents, the screener compares online, property tax records with their identification to verify where they will be self-quarantining is a legitimate residence.
- Visitors are followed up with three times during their self-quarantine period.
  - The calls happen on random days and at random times day & night.
  - HTA calls their phone and confirms their location if the visitor answers.
    - If HTA does not get an answer on the visitor's phone, the hotel is called and asked to verify that the visitor is in their room.
    - If the visitor is not in their room, then the HTA refers the visitor to law enforcement who can arrest the visitor.
    - If the HTA call center suspects that the visitor is not in their hotel room as required, the call is elevated in the manner that non-connected calls are escalated.
- The Committee asked whether all passengers in quarantine can be checked on their 14<sup>th</sup> day with testing or thermal screening to ensure that they are virus free.

#### **Department Emergency Operation Centers**

- Both the Airports Division and HTA are tracking pandemic response spending so that appropriate reimbursements will be received from the federal government.
- Both DOT-Airports and HTA have a version of a departmental Emergency Operation Center (EOC).
  - Leadership and key staff meet daily to discuss the pandemic and its impacts on operations.
    - The department makes necessary adjustments.
- HTA used this system to make staff redeployment decisions.
  - Per the Committee's request, HTA will provide a report on staff redeployments.
- The Committee asked if every department has or should have its own EOC.

-end of report-