

COVID-19 CARES Funds Sub Committee

House Select Committee on COVID-19 Economic and Financial Preparedness

August 31, 2020

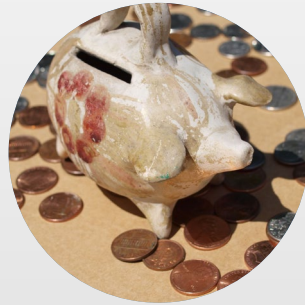
PURPOSE AND SCOPE

- PROVIDE OVERSIGHT OVER CARES FUNDS APPROPRIATED TO THE STATE
- TO ENSURE THAT CARES FUNDS ARE TIMELY AND EFFECTIVELY SPENT IN HAWAI'I
- THE APPROPRIATED FUNDS ARE *IN ADDITION TO* THE \$1.25B LUMP SUM APPROPRIATED TO THE STATE (+15 line items ~\$125M)
- WE WILL INCLUDE EFFORTS OF OTHER GOV'T OFFICIALS

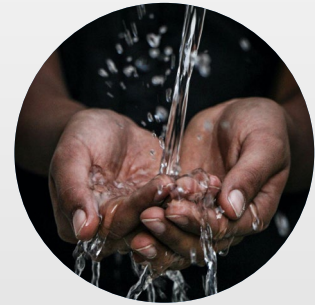
TASKS



1. IDENTIFY APPROPRIATED FUNDS & *PURPOSE*



2. IDENTIFY *AGENCIES* THAT WILL RECEIVE APPROPRIATIONS



3. IDENTIFY WHETHER FUNDS CAN BE DISBURSED THROUGH *GRANTS*

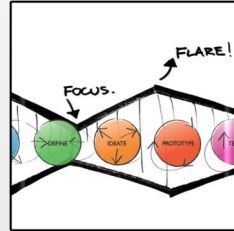
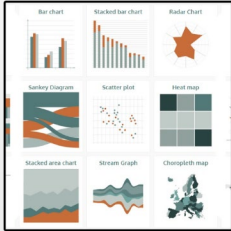


4. MONITOR *STATUS* OF THE EXPENDITURES OF SUCH FUNDS



5. ORGANIZE AND *COMMUNICATE* THIS INFORMATION

PROCESS & PRODUCTS



HISTORICAL ACCOUNTING/INFO

- Primary Data Source
- All Federal Funds \$9B
- Monthly reports of receipts/expenditures by:
 - *Category*
 - *Program*
 - *Recipient, sub recipient*
 - *Federal Dept*
 - *Deadline*

STATUS:

- Reconciliation complete
- State & National reports identified
- Report design is live
- CARES funds report is a subset

IDENTIFY CURRENT CHALLENGES/SOLUTIONS

- For CARES (SB126) plus select other funds
- Work with State & County officials to identify challenges early:
 - *Program infrastructure, capacity (people, tech)*
 - *Overlap with other programs (or State vs County)*
 - *Clarity of federal rules/ compliance (e.g., eligibility, etc)*

STATUS:

- **Collaborating with government officials as they build process to engage with program owners**
- **Beginning scan of complementary program types, beneficiaries**

RAISE FUTURE OPPORTUNITIES

- Curated List of Upcoming COVID, non-COVID competitive grants to share with:
 - *Government*
 - *Institutions*
 - *Nonprofit*
 - *Businesses*

STATUS:

- Designed and distributed lists to HCF, HANO
- Brainstorming ways to prepare nonprofit community for grant cycles, requirements

Today's Update

- Latest Drawdown and Expenditure Report, reconciled with State Federal Awards Management as of 7/31/2020
- Data Visualization as of 7/31/2020
- Synopsis and Concerns.
 - See [Civil Beat Essay: "We-need-to-spend-half-a-billion-dollars-in-123-days-heres-how-to-do-it"](#) submitted by Jill Tokuda on 8/29/2020.

DATA VISUALIZATION

Synopsis – Drill down, isolate concern

	<u><i>Award Amount</i></u>	<u><i>Expenditure</i></u>	
Total	\$9,026,487,509	\$6,896,994,191	76.41%
SBA, IRS, UI, SNAP, etc (>75% spent)	\$6,772,123,659	\$6,756,124,124	99.76%
	\$2,254,363,850	\$140,870,068	6.25%
non-CRF COVID (avail 4-5/20)	\$1,004,363,850	\$61,685,729	6.14%
CRF (approved by Gov 7/30)	\$1,250,000,000	\$79,184,339	6.33%

Non-CRF COVID was received and ready for spending primarily in April/May of 2020 thru various dates.

CRF is within the scope of this committee and was received in May 2020 and approved by Governor end of July, to be spent by 12/31/2020.

Q: Does the pace & type of our COVID resource flows reflect our *Stabilization* & *Reopening* plan & priorities? CDC guidelines?

IF **Stabilization** relies on:

- aggressive public health protocols, with a focus on vulnerable communities, spread vectors
- continuous learning for our kids, youth AND reopening of schools

AS REQUIRED FOR **Reopening** the economy, **THEN**

- Why are significant related resources (non CRF COVID funds) still unspent? (examples on next slide)
- Why are proper use and distribution of PPE, testing & contact tracing for **CDC Priority 1 groups** still unresolved (essential workforce & congregate settings - incarcerated, houseless, public housing, Micronesians, educational institutions, front line who serve vulnerable)
- Why don't we have data related to breakouts so that related actions on what to close or open can be strategic? Is this capability (human/tech/data science) resourced?
- How do we educate and communicate with our citizenry so that they know what to do? Is this resourced?

Pace of certain **Non CRF COVID** (out of committee scope, but relevant)

<u>PROGRAM</u>	<u>AWARD</u>	<u>EXPENDITURE</u>	<u>ENCUMBERED</u>
CDC Epidemiology & Lab Capacity	60,592,455	137,218	406,857
CDC Rapid Funding	6,317,500	981,494	1,026,917
Education (K-12, Higher ed)	96,990,529	10,423,218	14,985,801
Emergency Solutions Grants (DHS, City & County)	34,835,055	?	?
Childcare & Development Block Grant	11,990,147	139,370	0
Headstart	2,530,000	0	0
Public Housing Operating Funds	4,128,858	413,411	0
Community Health Centers	14,680,713	0	0

How do we learn from **Non CRF COVID** funds as **CRF** ramps up (in committee scope)

FACTS/CURRENT SITUATION:

- **DIRECT FLOW:** The line items that were pushed out rapidly were primarily through SBA/banks/credit unions, direct to businesses & individuals.
- **CAPACITY:** CRF passes through certain State Department agencies that are already stretched with expanded scope due to COVID.
- **COMPETING OBJECTIVES:** CRF relies on government agencies to sub-award to private sector nonprofits who have competing objectives (protect against impropriety vs. expediency/ease for beneficiaries in need)
 - Contract terms are challenging to finalize, eating into time for execution.
- **UNALLOCATED FUNDS:** \$371m that was line-item vetoed is not allocated, tied up until 9/15/2020.

CRF (in committee scope)

QUESTIONS:

- How do we make sure that what we learned from non CRF COVID will inform what we do with CRF especially with such significant needs (July cliff) and short deadlines to spend?
- Are we leaning on and protecting private providers with understanding of ‘recipients-in-need’ and strong demonstrated capabilities?
- How do we insert entrepreneurial mindsets to address competing objectives of government and private intermediaries utilizing new methods, data/technology?
- How does the allocation of CRF align with or go against non CRF COVID to address our most urgent needs (data informed infection sources/hot-spots, education/health equity issues, etc.)?
- How can/will the unallocated \$371M be allocated in a way to address needs or build new capabilities, have flexibility? See Jill’s article for ideas.

appendix

Status of 'CRF' as of 7/31

REVENUE

Received	Amount
4/15/2020	\$ 625,000,000.00
4/24/2020	\$ 237,823,978.80
TOTAL	\$ 862,823,978.80

COUNTY ALLOCATIONS

County	Amount Allocated	Cash Transferred	Expenditures (Cumulative)	Unexpended Transfer Balance	Comments
Kauai	\$ 28,715,551.00	\$ 14,357,775.50	\$ 6,874,754.41	\$ 7,483,021.09	50% transferred 6/18/20
Maui	\$ 66,598,757.00	\$ 33,299,378.50	\$ 2,814,298.91	\$ 30,485,079.59	50% transferred 6/18/20
Hawaii	\$ 80,009,671.00	\$ 40,004,835.50	\$ 4,354,991.00	\$ 35,649,844.50	50% transferred 6/18/20
TOTAL	\$ 175,323,979.00	\$ 87,661,989.50	\$ 14,044,044.32	\$ 73,617,945.18	

DEPARTMENT SUBAWARDS

Department	Amount Allocated	Cash Transferred	Expenditures (Cumulative)	Unexpended Transfer Balance	Comments
Department of Human Services	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	Approved by Governor 6/9/2020
Department of Labor and Industrial Relations	\$ 1,360,000.00	\$ 1,360,000.00	\$ 785,340.00	\$ 574,660.00	Approved by Governor 5/20/2020
Department of Defense	\$ 40,000,000.00	\$ 10,000,000.00	\$ -	\$ 10,000,000.00	Approved by Governor 7/15/2020
Department of Business, Economic Dev & Tourism (BED160)	\$ 50,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Human Services	\$ 15,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Defense	\$ 61,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Transportation (Airports)	\$ 70,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Business, Economic Dev & Tourism (BED100)	\$ 10,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Business, Economic Dev & Tourism (BED143)	\$ 10,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Labor and Industrial Relations (LBR903)	\$ 5,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Business, Economic Dev & Tourism (BED100)	\$ 3,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Department of Labor and Industrial Relations (LBR903)	\$ 1,000,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
Office of the Governor	\$ 39,986,000.00	\$ -	\$ -	\$ -	Act 009/SB126 CD1; GM1112
TOTAL	\$ 308,346,000.00	\$ 13,360,000.00	\$ 785,340.00	\$ 12,574,660.00	

GRAND TOTALS

Amount Allocated	Transferred	Expenditures (Cumulative)	Unexpended Transfer Balance
\$ 483,669,979.00	\$ 101,021,989.50	\$ 14,829,384.32	\$ 86,192,605.18