



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

January 18, 2022

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

The American Rescue Plan Act (ARPA), P.L. 117-2, which was signed into law on March 11, 2021, included \$195.3 billion for the Coronavirus State Fiscal Recovery Fund (CSFRF) to provide direct assistance to state governments and the District of Columbia to support COVID-19 response efforts and mitigate the fiscal effects stemming from the public health emergency. The State of Hawai'i was allocated \$1,641,602,609.60 which has been drawn down from the U.S. Department of the Treasury (Treasury).

This report includes a detailed list of all CSFRF activities, including items that are approved and pending as well as items funded through the Governor's authority under Chapter 29, Hawaii Revised Statutes, or are proposed to be funded in the Governor's FY 2023 Supplemental Budget Submittal or administrative package. The items listed in this report are as of January 11, 2022.

Please direct any questions to the Department of Budget and Finance Deputy Director Gloria Chang.

Sincerely,

David Y. Ige
Governor, State of Hawai'i

Enclosure

**State of Hawai'i
Office of the Governor**



Report on Coronavirus State Fiscal Recovery Funds

**Submitted to
The Thirty-First State Legislature
Regular Session of 2022**

Report on Coronavirus State Fiscal Recovery Funds by the State

Background

The American Rescue Plan Act (ARPA), P.L. 117-2, which was signed into law on March 11, 2021, included \$195.3 billion for the Coronavirus State Fiscal Recovery Fund (CSFRF) to provide direct assistance to state governments and the District of Columbia to support COVID-19 response efforts and mitigate the fiscal effects stemming from the public health emergency. The CSFRF provided governments across the country with the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts;
- Maintain vital public services, even amid declines in revenue resulting from the crisis; and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

The State of Hawai'i was allocated \$1,641,602,609.60 which has been drawn down from the U.S. Department of the Treasury (Treasury). These funds have been an important resource for Hawaii's response to the COVID-19 public health emergency.

On May 17, 2021, Treasury published an Interim Final Rule, implementing CSFRF, and describing eligible uses of CSFRF funds. Throughout 2021, Treasury published additional guidance, and on January 7, 2022, Treasury adopted the Final Rule.

The Office of the Governor, working in conjunction with the Legislature and the Department of Budget and Finance, manages use of the CSFRF funding. This past session, the Legislature appropriated all of Hawaii's CSFRF \$1.6 billion allocation for specific purposes in House Bill No. 200, H.D. 1, S.D. 1, C.D. 1, and various specific appropriation bills. The appropriations were made to fund critical services, to respond to the COVID-19 public health emergency, and to promote economic recovery and equitable outcomes for those who were the hardest hit by the pandemic. The appropriations were made prior to issuance of Treasury guidance, and therefore, appropriated projects were reviewed by the Department of Budget and Finance Office of Federal Awards Management (OFAM) and the Deputy Attorney General in order to ensure that each appropriation was eligible under Treasury guidance. A few project appropriations that did not meet eligibility requirements were removed. Certain uses prohibited under the Interim and Final Rules, such as contributions to the Emergency Budget and Reserve Fund, were never considered for funding under ARPA.

In addition to the allocations made during the past Legislative session, additional awards were made under the Governor's HRS Chapter 29 authority. The requests made under Chapter 29 were emergency or urgent requests that could not wait until the next

Legislative session for consideration. All awards made under HRS Chapter 29 were reviewed by OFAM and the Attorney General's office for eligibility.

Eligible Use of Funds

Eligible Uses of CSFRF Funds include:

1. Respond to the negative economic impacts of the Public Health Emergency, by funding COVID-19 mitigation efforts, medical expenses, childcare and early learning services, behavioral healthcare and certain public health and safety staff. (CSFRF Expenditure Category A)
2. Address disproportionate public health and economic impacts caused by the public health emergency, including economic harm to workers, disproportionately impacted households, communities, small businesses, businesses, and the public sector. (CSFRF Expenditure Category A)
3. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors. (CSFRF Expenditure Category B)
4. Replace lost public sector revenue, using funding to provide government services to the extent of the reduction in revenue experienced during the pandemic. (CSFRF Expenditure Category C)
5. Make investments for water and sewer infrastructure. (CSFRF Expenditure Category D)
6. Make investments for broadband infrastructure to unserved and underserved locations, and modernize cybersecurity. (CSFRF Expenditure Category D)

Review Process

Departments and Agencies submit requests for funding of a CSFRF project to OFAM. The request describes the project, identifies whether the request was appropriated, and specifies the ARPA eligible use. To ensure that the project meets Federal requirements, OFAM and the Attorney General's office review the request for eligibility. If approved, a sub-award is issued and the project is funded.

The State is required to submit quarterly Project and Expenditure reports to Treasury, to include financial data, information on contracts and subawards greater than \$50,000, types of projects funded, and other information regarding the state's utilization of the award funds. In addition, the State must submit an annual Recovery Plan Performance Report to Treasury. These reports are prepared and submitted by OFAM. All reporting deadlines have been met.

CSFRF Operating Funding (V MOF) Appropriated in HB200, SD1, CD1 and Other Bills

1/11/2022 Summary of Coronavirus State and Fiscal Recovery Funds (CSFRF)

Amount of CSFRF Award to the State	1,641,602,610
Approved CSFRF Projects (Appropriated FY22+FY23)	1,178,885,947
Approved CSFRF Projects (Chapter 29)	268,042,353
Pending Projects (Pending + Ch 29 Pending Items)	46,508,000
Gov FY23 Budget Adds and LPs	148,166,310
CSFRF Award Remaining (after FY23 Gov Submittal)	0

Total CSFRF Federal Award	1,641,602,609.60		
Rounded Beginning CSFRF Balance	1,641,602,610		
		FY 22	FY 23
Uses of CSFRF Balance			
Appropriated			
Balance Remaining			309,559,772
Approved	1,029,915,485		148,970,462
Pending	12,885,000		12,423,000
Chapter 29 Approved	268,042,353		0
Chapter 29 Pending	21,200,000		0
Gov FY23 Budget Adds and LPs			148,166,310
Ending CSFRF Balance Available		309,559,772	0

CSFRF Operating Funding (V MOF) Appropriated in HB200, SD1, CD1 and Other Bills

APPROVED: AMOUNTS APPROPRIATED FY22 AND FY23. SUBAWARDS HAVE BEEN ISSUED FOR FY22 ONLY

Coronavirus State Fiscal Recovery Fund (CSFRF) Amount					CSFRF Expenditure Category						
Prgm ID	Description	FY22	FY23	Total	Appropriation	Public Health/Negative Economic Impact	Premium Pay	Revenue Loss	Infrastructure	TBD	Total
						"A"	"B"	"C"	"D"		
AGR171	Hawai'i Floriculture and Nursery Assn Technical Assistance	100,000		100,000	Act 88, SLH2021			100,000			100,000
AGS240JA	State Procurement Office Performance Data Base	80,000	84,000	164,000	Act 88, SLH 2021			164,000			164,000
AGS879OA	Office of elections - support reapportionment commission	60,000	60,000	120,000	Act 88, SLH 2021			120,000			120,000
AGS881LA	DAGS/SFCA Bishop Museum and 'Iolani Palace	1,346,000	866,000	2,212,000	Act 88, SLH 2021	2,212,000					2,212,000
AGS889MA	Aloha Stadium Operating Costs	2,300,000		2,300,000	Act 88, SLH 2021	2,300,000					2,300,000
BED113XC	Convention Center Salaries, Repairs & Maintenance	11,000,000	11,000,000	22,000,000	Act 88, SLH 2021	22,000,000					22,000,000
BED100	Sister State Relationship Support	100,000	100,000	200,000	Act 88, SLH2021			200,000			200,000
BED130FA	Economic planning & research	4,000,000	4,000,000	8,000,000	Act 88, SLH 2021			8,000,000			8,000,000
BED150	HCDA Heeia Mangrove Remediation	300,000		300,000	Act 88, SLH 2021			300,000			300,000
HB1176CD1	Green Youth Job Corp Program	5,000,000		5,000,000	Act 181, SLH 2021			5,000,000			5,000,000
HB1376CD1	Emergency Rental Assistance For Households not qualified for ARPA Funds	505,000		505,000	Act 88, SLH 2021	505,000					505,000
HB237CD1	Mitigate & Control 2-lined Spittlebug - Hawai'i Island	350,000		350,000	Act 137, SLH 2021			350,000			350,000
HB834CD1	Black Cinder Cone Quarries Sites - Hawai'i Island	150,000		150,000	Act 191, SLH 2021			150,000			150,000
HB862CD1	Hawai'i Tourism Authority - Salaries, Marketing, Destination Action Management Plan	60,000,000		60,000,000	Act 001, SLH 2021	60,000,000					60,000,000
HB863CD1	Forest Stewardship Program - Tree Nurseries	750,000		750,000	Act 192, SLH 2021			750,000			750,000
HMS222RA	Rental Assistance Services - HPHA	500,000		500,000	Act 88, SLH 2021			500,000			500,000
HMS224HS	Homeless Services	10,800,000	10,800,000	21,600,000	Act 88, SLH2021			21,600,000			21,600,000
HMS501YA	In-Community Youth Services	832,500		1,665,000	Act 88, SLH 2021			1,665,000			1,665,000
HMS503YB	HI Youth Correctional Facility Utility Costs	520,000	520,000	1,040,000	Act 88, SLH 2021			1,040,000			1,040,000
HMS904AA	Admin Asst on Homelessness	77,064	77,064	154,128	Act 88, SLH 2021			154,128			154,128
HRD102KA	Addn'l funding for UI benefits	275,000		275,000	Act 88, SLH 2021	275,000					275,000
HRD102SA	Additional Workers Comp Claims HRD 102S and HRD102KA	307,775	635,350	943,125	Act 88, SLH 2021			943,125			943,125
HTH212	HHSC Regions Subsidy	32,315,400	32,315,400	64,630,800	Act 88, SLH 2021			64,630,800			64,630,800
HTH430HQ	Hawai'i State Hospital Adult Mental Health Division Costs	6,180,433		6,180,433	Act 88, SLH 2021			6,180,433			6,180,433
HTH560CW	Family Health Services	1,383,931		1,383,931	Act 88, SLH 2021			1,383,931			1,383,931
HTH730	EMS & Injury Prevention System	84,257,043	46,990,131	131,247,174	Act 208, SLH 2021			131,247,174			131,247,174
HTH904AJ	Exec Office on Aging Senior Center Services	1,500,000		1,500,000	Act 88, SLH 2021			1,500,000			1,500,000
LBR171LA	Unemployment Insurance Program - Call and Adjudication Center	70,000,000	35,000,000	105,000,000	Act 88, SLH 2021	105,000,000					105,000,000
LBR183	Disability Compensation Program	3,110,000	3,110,000	6,220,000	Act 88			6,220,000			6,220,000

CSFRF Operating Funding (V MOF) Appropriated in HB200, HD1, SD1, CD1 Other Bills

APPROPRIATED, PENDING ISSUANCE OF SUB-AWARD

Coronavirus State Fiscal Recovery Fund (CSFRF) Amount					Appropriation	Public Health/ Negative Economic Impact				CSFRF Expenditure Category	
Prgm ID	Description	FY22	FY23	Total		"A"	"B"	"C"	"D"	TBD	Total
HMS224HS	Homeless Services		3,500,000	3,500,000	Act 88, SLH2021			3,500,000			3,500,000
HTH212	HHSC regions Kaua'i Adolescent Treatment & Healing Center	1,300,000		1,300,000	Act 88, SLH2021	1,300,000					1,300,000
HTH214	Maui Health System Subsidy	11,585,000	8,923,000	20,508,000	Act 88, SLH2021			20,508,000			20,508,000
	Total	12,885,000	12,423,000	25,308,000		1,300,000	0	24,008,000	0	0	25,308,000

HRS Chapter 29

Public Health/
Negative Economic
Impact Premium Pay Revenue Loss Infrastructure

Coronavirus State Fiscal Recovery Fund (CSFRF) Amount						CSFRF Expenditure Category						
Prgm ID	Description	FY22	FY23	FY24	Total	Comments	"A"	"B"	"C"	"D"	TBD	Total
SUB-AWARD ISSUED												
ATG	Prison COVID Monitoring Panel	5,000,000			5,000,000	Monitoring Panel and emergency resources	5,000,000					5,000,000
BUF101	Federal Recovery Plan Perf & Reporting	13,643,026			13,643,026	ARPA Compliance Monitoring and Reporting, and Special Project for Program Memoranda			13,643,026			13,643,026
DAGS	Accounting System Modernization	500,000			500,000	Accounting system modernization to enable state to meet on-going federal reporting requirements			500,000			500,000
DAGS	Enterprise Financial System Services	2,273,000			2,273,000	Modernization of state financial accounting systems, and budget preparation and reporting systems, in order to meet immediate federal reporting requirements.			2,273,000			2,273,000
DAGS	Security System for State Buildings	15,000,000			15,000,000	Equipment and monitoring services for security systems due to increased actual and threatened damage at state buildings			15,000,000			15,000,000
DAGS	GASB No. 87 Lease Software	500,000			500,000	Consultant and software to ensure compliance with revised standards for reporting leases, and implementation with departments			500,000			500,000
DAGS	Capitol Reopening Costs	359,886			359,886	Additional security services at Capitol for period 1/1/22 - 6/30 22; outside contract			359,886			359,886
DCCA	Contact Center Services Contract	701,064			701,064	Contract with outside vendor for contact center services for Professional and Vocational Licensing Division due to surge during COVID			701,064			701,064
DCCA	PVL Temporary Workers	909,000			909,000	Contract with vendor to provide temporary employees to assist Professional and Vocational Licensing to reduce licensing backlog			909,000			909,000
DEF	Safe Travels	41,571,188			41,571,188	COVID safety compliance	41,571,188					41,571,188

Public Health/
Negative Economic
Impact Premium Pay Revenue Loss Infrastructure

Coronavirus State Fiscal Recovery Fund (CSFRF) Amount						CSFRF Expenditure Category						
Prgm ID	Description	FY22	FY23	FY24	Total	Comments	"A"	"B"	"C"	"D"	TBD	Total
DHS	Benefit, Employment & Support Div Telework Capacity	3,170,948			3,170,948	Increase telework capacity to serve clients of federal programs Request replaces a \$5.4MM appropriation for general assistance benefits, cancelled by DCCA - see Remaining tab, Cancelled			3,170,948			3,170,948
DLIR	UI payment 11/30/21	100,000,000			100,000,000	Repay Title XII advances through 9/30/21	100,000,000					100,000,000
HRD	Workers Compensation Claims	3,700,000			3,700,000	Additional COVID-19 claims from employees	3,700,000					3,700,000
PSD	PSD Continued COVID Response	48,451,795			48,451,795	Master List of 12 Requests, for COVID-19 response at PSD facilities.	48,451,795					48,451,795
PSD	Modernize Network Infrastructure	1,500,000			1,500,000	Replace outdated equipment, install cybersecurity software, upgrade cabling, replace phone systems, purchase laptops to increase response during COVID-19.	1,500,000					1,500,000
PSD	Department Reorganization	587,314			587,314	Analyze and plan for proposed into two departments: Dept of Law Enforcement and Dept of Corrections and Rehabilitation			587,314			587,314
TAX	Tax Department Re-opening Costs	507,300			507,300	Upgrade security station; add guards; professional cleaning; equipment	507,300					507,300
TRN	Airports	1,667,832			1,667,832	Health Screening System Maintenance at airport	1,667,832					1,667,832
UOH	Staff and services	28,000,000			28,000,000	Funds to replace revenue losses, for Personnel costs and research opportunities			28,000,000			28,000,000
Sub-Total for Chapter 29 Awards Issued		268,042,353	0	0	268,042,353	Total	202,398,115	0	65,644,238	0	0	268,042,353
PENDING SUB -AWARD												
DLNR	SHPD Inventory	1,700,000			1,700,000	Archaeological survey and predictive modelling of historically and culturally significant sites; to facilitate project planning for affordable housing and critical infrastructure; expedite project review and approval.			1,700,000			1,700,000
HTH	Test Kits	10,000,000			10,000,000	Purchase of antigen test kits; placed order for 250K, seeking more; CSFRF form not submitted; may be modified due to presidential order regarding test distribution	10,000,000					10,000,000

Public Health/
 Negative Economic
 Impact Premium Pay Revenue Loss Infrastructure

Coronavirus State Fiscal Recovery Fund (CSFRF) Amount						CSFRF Expenditure Category						
Prgm ID	Description	FY22	FY23	FY24	Total	Comments	"A"	"B"	"C"	"D"	TBD	Total
HTH	Administrative COVID Support	8,000,000			8,000,000	Grant to support COVID-related administrative needs	8,000,000					8,000,000
UOH	Broadband Site Surveys and Planning	1,500,000			1,500,000	Initial survey and engineering work for a set of up to 10 candidate locations for cable landing station sites.				1,500,000		1,500,000
	Pending Issuance of Sub-Awards	21,200,000	0		21,200,000		18,000,000	0	1,700,000	1,500,000	0	21,200,000
	Total	289,242,353	0	0	289,242,353		220,398,115	0	67,344,238	1,500,000	0	289,242,353

CSFRF Items that are included in Governor's FY23 Budget and Admin Package to the Legislature

Prgm ID	Description	FY22	FY23	Total	Comments
APPROPRIATED IN FY22 AND LAPSED IN FY23 SUPPLEMENTAL BUDGET					
AGS 203	Lapse funds for Risk Management Office	\$ 550,000	\$ 550,000	\$ 1,100,000	Lapses FY22 and FY23 ARPA appropriations
AGS 223	Lapse funds for Office Leasing Program	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	Lapses FY22 and FY23 ARPA appropriations
AGS 889	Lapse funds for Aloha Stadium Program	\$ 300,000		\$ 300,000	Lapses FY22 ARPA appropriation
AGS 889	Lapse funds for Aloha Stadium Program	\$ 1,800,000	\$ 1,000,000	\$ 2,800,000	Lapses FY22 and FY23 ARPA appropriations
BED 105	Lapse funds for Creative Industries Lab	\$ 50,000	\$ 50,000	\$ 100,000	Lapses FY22 and FY23 ARPA appropriations
BUF 103	Lapse funds for vacation payout	\$ 9,700,000	\$ 9,700,000	\$ 19,400,000	Lapse FY22 and FY23 ARPA appropriations
HMS 204	Lapse funds for GA Payments	\$ 5,400,000		\$ 5,400,000	Lapse FY22 appropriation for General Assistance Payments
BED 113	Lapse funds for HTA Convention Center position and funds		\$ 11,000,000	\$ 11,000,000	Lapses FY23 ARPA appropriation. HTA received ARPA funds for FY22. Governor's supplemental budget requests B funds for FY23.
HB 79	Lapse funds for HHFDC Revolving Fund	\$ 1,000,000		\$ 1,000,000	Lapse FY22 ARPA appropriation. Request cancelled on advice of counsel.
HB 1191	Lapse Broadband Infrastructure Grant Program	\$ 5,000,000		\$ 5,000,000	Lapse by budget message; program changing
HTH 214	Lapse Maui Health System Operating Subsidy		\$ 8,923,000	\$ 8,923,000	Lapse FY23 appropriation for Maui Health System Operating Subsidy
HTH 560	Lapse grant for Family Health Services	\$ 1,000,000		\$ 1,000,000	Lapse FY22 appropriation, grant not requested
LBR 902	Lapse funds for UI Loan Interest	\$ 252,391		\$ 252,391	Lapse FY22 appropriation for General admin program UI loan interest
LBR 902	To be lapsed by Budget Message		\$ 5,091,175	\$ 5,091,175	FY23 no borrowings anticipated; not lapsed in Supplemental Budget
FOR INFORMATION: SUB-TOTAL FOR BUDGET LAPSES		\$ 26,052,391	\$ 37,314,175	\$ 63,366,566	
INCLUDED IN FY23 SUPPLEMENTAL BUDGET OR LP					
BUF 101	Broadband State Matching Funds		\$ 33,333,334	\$ 33,333,334	State match requirements (25%) for \$100M in federal funds (75%) through the Broadband, Equity, Access, and Deployment State Grant appropriated in the IJA. Guidance confirms that federal funds can be used for the state match for this grant.
DEF 110	Safe Travels Program		\$ 61,849,216	\$ 61,849,216	Add funds for COVID-19 Safe Travels Program
LBR	Unemployment Insurance Program		\$ 52,983,760	\$ 52,983,760	Add funds for Unemployment Insurance Program through Governor's Admin Submittal (Legislative Proposal)
SUB-TOTAL FOR BUDGET AND LP ADDS			148,166,310	148,166,310	