

United States Senate
WASHINGTON, DC 20510-1104

September 21, 2020

The Honorable David Y. Ige
Governor, State of Hawaii
Executive Chambers
State Capitol
Honolulu, HI 96813

Dear Governor Ige,

I write to reiterate some of my previously expressed concerns about the expenditure of Hawaii's Coronavirus Relief Fund and supplemental COVID-19 funds. I remain concerned that Hawaii will not spend these federal resources before the end of the year, and that a lack of clear information provided by the state on how funds are being used is creating frustration and confusion among Hawaii's residents. Trust and confidence in public institutions are imperative to help us get through this pandemic and a lack of transparency and clear communication only creates distrust and erodes confidence. Unfortunately, the president is not meeting the moment and it has fallen to state and local officials to lead.

In reviewing the state's funding records, my office has determined the following:

In April, the Hawaii state government received \$863 million from the Coronavirus Relief Fund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Importantly, the CARES Act requires that these funds are spent by the end of the year, and any unspent funds must be returned to the U.S. Treasury.

As of August 31, the state has spent roughly \$23 million of its Coronavirus Relief Fund money, and there remains \$321 million in unspent, unallocated funds that the state may need to return to the U.S. Treasury. After reviewing the state's website for explaining its use of these pandemic relief funds I am concerned the average viewer visiting the website will not leave with a clear picture of the state's plans for spending.

The state's decisions on how to spend the hundreds of millions of dollars in coronavirus relief funds must be clearly communicated. For example, while helpful, the Department of Budget and Finance's monthly updates on spend down of federal dollars should share easily digestible information and be provided more frequently - at least weekly.

Further, simply indicating that funds have been dedicated to a particular purpose is insufficient. Hawaii residents deserve a clear, coherent strategy that includes timely and detailed disclosure of how funds are being spent and why. A look at the state's use of funding for one aspect of its

health care response to the pandemic is illustrative. The CARES Act and other federal legislation provided supplemental appropriations for testing, contact tracing, and other public health responses. The apparent delays in establishing, training, and staffing a robust contact tracing program prior to July are problematic and were exacerbated by a lack of clearly communicated information.

Federal funds were appropriated so that state and local governments could continue to provide stability, relief, and critical services during the pandemic. To ensure funds are being utilized for their intended purpose and disbursed in a timely manner, please provide:

1. A list of any outstanding inquiries that your office has with the Department of the Treasury regarding eligible uses of the Coronavirus Relief Fund;
2. Additional information on any outstanding inquiries with the federal government that are causing the state to delay spending from the Coronavirus Relief Fund;
3. A detailed timeline outlining when allocated funds are expected to be transferred to the relevant state agencies;
4. A detailed agency-by-agency timeline for expending coronavirus relief funds once transferred to them; and
5. The details of any existing contingency plans, in the event these funds are not spent for their intended purposes by the State legislature's deadline of December 28th.

I understand the unprecedented challenges you have faced in responding to the COVID-19 pandemic. Your recent announcement to realign the COVID-19 response team with specific and clear roles for each member is helpful. As we move forward, I encourage you to continue clearly and plainly communicate what is being done, how it is being executed, and provide frequent status updates. Rather than waiting on Congress and the administration to provide the funding and certainty that state and local governments deserve, the state should move forward with the necessary use of funds to meet this pandemic head on. Greater transparency will help bolster public confidence in the state's response.

Sincerely,



Mazie K. Hirono
United States Senator