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GOVERNOR'S OFFICE – GOV. IGE ANNOUNCES MEASURES TO ADDRESS ECONOMIC IMPACT OF COVID-19

Posted on Mar 20, 2020 in Latest News, Press Releases

Links to video clips:

Gov. Ige: https://www.youtube.com/watch?v=81Gh0Wmfvtl&feature=youtu.be

Dir. Murakami Ruder Program: https://youtu.be/dnDyn_v1T8A

Dir. Murakami Unemployment Office: https://youtu.be/dn8QUUj3uAU

Dist. Dir. Sawyer: https://www.youtube.com/watch?v=kWofEVcptKs&feature=youtu.be

HONOLULU – Gov. David Y. Ige; Scott Murakami, Director, State Department of Labor and Industrial Relations (DLIR); and Jane Sawyer, District Director, Small Business Administration (SBA); , announced today several measures to address the economic impact of COVID-19 in Hawai'i.

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The SBA today approved a certification request submitted by Gov. David Ige, clearing the way for Hawai'i small businesses to participate in the SBA's Economic Injury Disaster Loan (EIDL) Assistance Program. The loans can be used to pay fixed debts, payroll and other bills that can't be paid because of a disaster's impact.

"Small businesses are a vital economic driver in our community, and we must do everything we can to support them as they struggle through this crisis," said Gov. Ige. "We appreciate the SBA's quick action to approve this loan program for small businesses that have been hit so hard by COVID-19 outbreak."

Loan applicants are required to file the following documents:

- Loan application (SBA Form 5), completed and signed.
- Tax Information Authorization (IRS Form 4506-T), completed and signed by each applicant, each principal owning 20 percent or more of the applicant business, each general partner or managing member; and, for any owner who has more than 50 percent ownership in an affiliate business. Affiliates include, but are not limited to, business parents, subsidiaries, and/or other businesses with common ownership or management;
- Complete copies, including all schedules, of the most recently filed Federal income tax returns for the applicant business; an explanation if not available.
- Personal Financial Statement (SBA Form 413) completed, signed, and dated by the applicant, each principal owning 20 percent or more of the applicant business, and each general partner or managing member.
- Schedule of Liabilities listing all fixed debts (SBA Form 2202 may be used) are required to file three SBA forms and one IRS form.

Loan forms and additional information can be accessed online at the SBA's Disaster Assistance Loan Portal.

Interest rates for the loans are 3.75 percent for small businesses without credit available

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The SBA uses a "table of size standards" to define what qualifies as a small business based on the business's number of employees and average annual receipts. Using these criteria, a small business could be defined as a business with a maximum of 250 employees up to a maximum of 1,500 employees.

According to an analysis by the Department of Business, Economic Development and Tourism there are 8,302 businesses in Hawai'i with 99 or fewer employees. Those businesses account for 96,189 jobs with a combined annual payroll of $3.16 billion.

STATE TAKES STEPS TO ADDRESS UNEMPLOYMENT SYSTEM PROBLEMS

Gov. Ige and Department of Labor and Industrial Relations (DLIR) Director Scott Murakami also announced state actions to address unemployment claims filing problems and a program to efficiently train and transfer labor into Hawai'i's businesses that can help reduce job losses and dampen the economic slide due to COVID-19.

"Please be assured that we are taking the actions necessary to ensure that all unemployment benefits claims will be filed and paid as quickly as possible. Please bear with us as we develop capacity and expand points of entry for filing claims," said Gov. Ige.

The state is taking the following actions:

- Benefits will be paid to individuals who file their initial unemployment claims late.
- Expanding the online claims filing system capacity and increasing the phone facilities to field inquiries and assist in the filing of claims.
- Allocating staff from other programs within DLIR and from other state agencies to facilitate claims filing, processing, and benefits.
- Registering unemployment claims with the state workforce system on behalf of workers.
- Working with employers and labor organizations to facilitate the filing of claims.

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employees who receive unemployment benefits because of COVID-19.

REDUCING UNEMPLOYMENT DISRUPTION & DRIVING ECONOMIC REGENERATION (RUDDER)

Gov. Ige and DLIR Director Scott Murakami announced the launching of the Reducing Unemployment Disruption & Driving Economic Regeneration (RUDDER) program. RUDDER is the DLIR's economic regeneration initiative that provides State Employment & Training Funds that immediately infuses money into the economy and serve as the foundational strategy for aligning federal workforce programs, such as the Disaster Recovery grants, in a unified effort to efficiently train and transfer labor into Hawai'i's businesses that can help reduce job losses and dampen the economic slide due to COVID-19.

"The primary objective of RUDDER is to facilitate an efficient labor exchange between the sectors hardest hit by COVID-19 and healthcare sector employers hiring employees to combat COVID-19," said DLIR Director Scott Murakami. "We know that jobs involving cleaning, such as hotel housekeepers, could move into jobs in the healthcare with minimal training and the RUDDER program will facilitate that exchange."

The program provides up to $100,000 of relief to registered and compliant Hawai'i businesses for new employees hired after March 1, 2020. The program provides an initial $500 payment for each new employee to offset training and associated costs upon notification to the department of the initial hiring of the employee. After six months of continuous employment and upon receipt of certification from the employer that they have retained the employee, the DLIR will issue a second payment of $500.

The DLIR has posted a COVID-19 Workplace Updates page at: http://labor.hawaii.gov/get-the-latest-covid-19-workplace-updates/ (http://labor.hawaii.gov/get-the-latest-covid-19-workplace-updates/) .

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Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request to individuals with disabilities.

TDD/TTY Dial 711 then ask for (808) 586-8866

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