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**Annual Report on the
(1) Development and Expansion of Telework Initiatives
and
(2) Receipt and Expenditure of Federal Moneys
Related to Broadband**

CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

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Annual Report on the Development and Expansion of Telework Initiatives

This report is filed pursuant to Hawaii Revised Statutes (HRS) section 440G-11.5(b), which requires the director of the Department of Commerce and Consumer Affairs (DCCA) to submit an annual report to the Legislature “on the department’s efforts to use broadband and its products and services to develop and expand telework initiatives, including telework participation levels and trends of both private and public sector employees in Hawaii.”

The DCCA has convened the Broadband Assistance Advisory Council (BAAC) as required under Act 199, Session Laws of Hawaii (SLH) 2010. Pursuant to Act 199, as amended by Act 151, SLH 2011, the BAAC is to advise the director on, among other things, “policy and funding priorities to promote and encourage use of telework alternatives for public and private employees” and other states’ best practices involving telework promotion and policies. The BAAC formed the Adoption Work Group shortly thereafter to address broadband adoption. Although the Adoption Work Group discussed telework as a potential solution to increase broadband adoption, the work group members advised that efforts would be best spent on removing barriers to adoption across the State and promoting broadband use through applications. To promote and encourage the use of telework alternatives for public and private employees, the DCCA has provided information and links to other state and federal telework “best practices” on its Cable Television Division’s broadband webpage: cca.hawaii.gov/broadband/.

In the latter half of fiscal year (FY) 2020, the COVID-19 pandemic, by necessity, required both public and private entities in the State to quickly transition to telework where possible, after Governor David Y. Ige issued an emergency proclamation and subsequent stay-at-home order in March 2020. For all employers, the adoption of telework highlighted their employees’ need for robust broadband at their homes to support crucial, valuable telework applications to video conference and share data-rich content. Aside from providing alternate broadband services where available, such as a mobile broadband hotspot to supplement home wireline service, ensuring robust broadband to employees throughout the State remains a challenge.

Employers also needed to address employee policies where the employer lacked specific telework policies or had telework policies insufficient to address telework under an emergency of this nature. For government employers, the emergency proclamation, among other things, authorized state and county agencies to operate under interim telework policies and agreements. For the state executive agencies, specifically, the Governor also directed all department and agency heads to identify employees whose job duties may be performed remotely and to encourage remote work for the duration of the emergency order. The Department of Human Resources (DHRD) subsequently issued COVID-19 Interim Telework Exceptions to the State’s existing Telework Program Guidelines and Memorandum of Understanding to temporarily address the current emergency that necessitated social distancing. The executive branch thereafter implemented a telework program that allowed departments to fulfill their missions while protecting the health of their employees.

As referenced in the Report of the Senate Special Committee on COVID-19 following its meeting on August 19, 2020¹, DHRD reported that approximately 25% of state departmental staff were teleworking at the end of FY 2020. A significant number of employees continues to telework as departments and agencies rotate groups of employees returning to work in state buildings to limit numbers on-site for social distancing.

With respect to the State's telework plan going forward, the DCCA has been informed that as of FY 2021, DHRD is working on surveys to get a baseline assessment from across the executive branch to allow DHRD to measure the current program's effectiveness and identify means for possible improvement.

¹ <https://www.capitol.hawaii.gov/committeefiles/special/SCoVID/2020-08-19%20Report%20of%20the%20Senate%20Special%20Committee%20on%20COVID-19.pdf>.

Annual Report on the Receipt and Expenditure of Federal Moneys Related to Broadband

This report is filed pursuant to HRS section 440G-11.5(c), which requires the DCCA to report annually to the Legislature on the receipt and expenditure of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA) and moneys from other federal appropriation measures or applicable federal acts for broadband facilities, services, equipment, or projects. Final receipt of moneys from the ARRA for broadband-related projects occurred in 2015. The DCCA is unaware of any subsequent significant grants of federal moneys to state agencies for these purposes.

However, state agencies may access certain ongoing funding programs, including, most significantly, the Federal Communication Commission's (FCC) Schools and Libraries Universal Support Program. Commonly known as the "E-rate program," this program helps schools and libraries obtain affordable broadband. The FCC's website provides the following information regarding the E-rate program:

Eligible schools, school districts and libraries may apply individually or as part of a consortium. Funding may be requested under two categories of service: category one services to a school or library (telecommunications, telecommunications services and Internet access), and category two services that deliver Internet access within schools and libraries (internal connections, basic maintenance of internal connections, and managed internal broadband services). Discounts for support depend on the level of poverty and whether the school or library is located in an urban or rural area. The discounts range from 20 percent to 90 percent of the costs of eligible services. E-rate program funding is based on demand up to an annual Commission-established cap of \$4.15 billion.

The E-rate program is administered by the Universal Service Administrative Company under the direction of the FCC. Specifically, USAC is responsible for processing the applications for support, confirming eligibility, and reimbursing service providers and eligible schools and libraries for the discounted services. USAC also ensures that the applicants and service providers comply with the E-rate rules and procedures established by the Commission.

On December 11, 2014, the FCC took the next step in modernizing the E-rate program, by adopting the Second E-rate Modernization Order (see Order Summary), which sets out to maximize options for schools and libraries seeking to purchase high-speed broadband and adjusting the E-rate spending cap.

According to USAC, for funding year 2019 (July 1, 2019, to June 30, 2020), the Hawaii State Department of Education and various state public charter schools were awarded the following amounts through the E-rate program²:

Department of Education:	\$17,059,450.24
State Public Charter Schools:	<u>\$230,304.39</u>
Total:	\$17,289,754.63

² Listed amounts are based on USAC's reporting procedures, and the release schedule of funding waves in each funding year may not always align with the State's FY.