

Monday, February 8, 2021

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

Thirty-First Legislature

Regular Session of 2021

House Select Committee on COVID-19 Economic and Financial Preparedness

Report of the Select Committee's Twenty-Seventh Meeting,

Held on Monday, February 8, 2021

The House of Representatives established the House Select Committee on COVID-19 Economic and Financial Preparedness (Committee) pursuant to House Resolution No. 54 (Regular Session of 2020). The membership of the Committee includes selected members of the House of Representatives, state government officials, and business leaders from private industry and non-profit organizations located in each of the primary counties.

The Committee is tasked with:

- (1) Identifying the potential economic and financial impact to the State;
- (2) Developing short-term and long-term mitigation plans; and
- (3) Monitoring COVID-19 conditions and outcomes.

At its twenty-seventh meeting, the Committee received an update on Hawaii's economy from the University of Hawaii Economic Research

Organization (UHERO), a public health update focusing on vaccination centers, and a legislative update from the chairs of the House committees on Pandemic & Disaster Preparedness and Labor & Tourism.

I. ECONOMIC UPDATE

Dr. Carl Bonham, Executive Director of UHERO, began his presentation by explaining that going forward a correlation will exist between the State's COVID-19 healthcare response and the economy. He noted that there have been over 180,000 COVID-19 vaccine inoculations administered in the State, with almost 10 percent of the state's population having received the first of two doses, and almost three percent fully inoculated with two doses. He provided data that showed that at the current pace of vaccine distributions, it would take around 10 months to have 75 percent of the United States population vaccinated. However, the rest of the world, especially countries where most visitors to the State are from, is behind in its vaccine rollout due to varying circumstances, such as vaccine availability or government approval. Dr. Bonham noted that there is hope that by Summer 2021, the State may begin to adjust restrictions and host more visitors.

Dr. Bonham noted that the State remains at a record high underemployment as underemployment rates fall with a declining labor force and a long economic recovery can be expected if underemployment grows. The UHERO economic pulse suggests that the Hawaii labor market will stall around current rates between 40 to 50 percent, as there have been no clear economic changes or indicators to expect an increase. He said that while unemployment rates have declined, it's

not a clear indicator of the economy, as they have coincided with significant declines in the labor force. However, there is a belief that more federal support should be coming from Congress in an American recovery plan totaling \$1.9 trillion, which contains among other things, additional payments to individuals, extended unemployment insurance programs, funding for reopening schools, vaccine distribution, and aid to state and local governments. Consequently, additional federal support would greatly impact the State's recovery plan and outlook going forward.

In looking at the State's economic recovery, the Committee also discussed the importance of data on workers who lost their jobs during the pandemic who have since become entrepreneurs or who have moved to the mainland.

II. PUBLIC HEALTH UPDATE

A. Public Health

Dr. Mark Mugiishi, President and CEO of Hawaii Medical Service Association highlighted that the best opportunity for vaccine success in the community is by maintaining current behaviors to keep the State's COVID-19 infection rates low. He also noted that as more people are inoculated with the vaccine, consideration needs to be given to whether vaccination cards for work, travel, or large gatherings may be appropriate. Dr. Mugiishi urged thinking about these issues now and not waiting.

B. Vaccination Centers

Mr. Raymond Vara, President and CEO, Hawaii Pacific Health (HPH), thanked the city and state leaders for helping in the quick planning

and administration of vaccination centers on city and state property. He provided an update on the vaccination center being conducted by HPH at Honolulu Harbor Pier 2. Mr. Vara stated that the center is currently by appointment only and focused on individuals over 75 years of age and essential workers that are assigned to HPH from the Department of Health. The center is operating at just under 50 percent capacity at an average of 1,850 people per day but has administered vaccines to over 30,000 people, with 14,000 being over 75 years old. HPH's only concern is vaccine supply but hopes that it will be increased soon.

Dr. Jill Hoggard Green, President and CEO, The Queen's Health Systems (Queens), provided an update on the vaccination sites administered by Queens. She stated as of Friday, February 5th, 2021, Queens has administered around 43,000 vaccinations, with around 14,000 going to kupuna aged 75 and older. Queens has created separate vaccine administration centers for kupuna and essential workers in order to protect each vulnerable population. She also highlighted the great amount of positive feedback from those that have received a vaccine. She noted that their only concern is also over vaccine supply going forward, as they have had to stop taking new appointments due to the uncertainty of whether there would be vaccines available to give people their second shots. Despite this concern, Dr. Green stated that Queens is ready to quickly ramp up distribution sites if doses become available. Dr. Green also mentioned that they are monitoring the virus variants and how these variants highlight the importance of administering vaccines.

Speaker Saiki acknowledged the support the vaccination centers have received from City and County of Honolulu Mayor Blangiardi in making the Blaisdell Concert Hall quickly available, as well as from Hawaiian Telcom which built up the necessary infrastructure at certain vaccine centers in a responsive and expedient manner.

III. LEGISLATIVE UPDATE

A. Pandemic & Disaster Preparedness Committee

Representative Linda Ichiyama, chair of the House Standing Committee on Pandemic & Disaster Preparedness provided an update on the newly created House Standing Committee that is focused on overall pandemic response as well as disaster preparedness for natural and manmade disasters. Representative Ichiyama highlighted four House Bills that were introduced and referred to the standing committee this Regular Session that specifically relate to the work done by this Committee. For the current status of the bills please go to <https://www.capitol.hawaii.gov>. The status of those bills as of today's meeting are as follows:

- (1) [H.B. 1286](#), which creates one state safe travels program statewide, requiring a negative test 72 hours prior to travel into the state or a negative rapid test upon arrival with another negative test 72 hours later to avoid a 10-day mandatory quarantine, requires post-arrival travelers with a positive test to be responsible for all costs of mandatory self-quarantine;
- (2) [H.B. 725](#), which expands the types of penalties for violations of emergency orders made by the Governor or

Mayor of a county to include lesser petty misdemeanor offenses, violations, and non-criminal infractions;

- (3) [H.B. 726](#), which requires a statewide mask mandate for every person when in a public setting, subject to certain exceptions; and
- (4) [H.B. 1324](#), which establishes a commercial rent relief grant program.

B. Labor and Tourism Committee

Representative Richard Onishi, chair of the House Standing Committee on Labor & Tourism, highlighted one particular house bill, [H.B. 1278, H.D.1](#), which was passed out of a joint committee hearing between the Committees on Labor & Tourism and Finance and is a collaborative effort between House and Senate leadership. The measure addresses employer unemployment insurance taxes in the State by requiring that benefits charged for experience ratings be omitted for calendar years 2021 and 2022. The measure also overrides the preset formulas for calculating employer tax contributions to the state unemployment compensation trust fund and instead sets the contribution rates for calendar years 2021 and 2022 on schedule D. By legislatively forcing the schedule downward for 2021 and 2022, the amounts employers will have to pay will be significantly lowered. Representative Onishi noted that this measure is scheduled for Third Reading in the House today, February 8th, 2021, after which it will be transmitted to the Senate and will hopefully reach the Governor's desk for signature by March 6th, 2021.

C. Economic Development Committee

The House Committee on Economic Development did not give an oral report.

IV. NEXT MEETING

The Committee will be notified via email of the next scheduled meeting.

V. ADJOURNMENT

The Committee adjourned its meeting at 10:40 a.m.