

Monday, June 29, 2020

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

Thirtieth Legislature

Regular Session of 2020

House Select Committee on COVID-19 Economic and Financial Preparedness

Report of the Select Committee's Thirteenth Meeting,

Held on Monday, June 29, 2020

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 nonprofit 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 thirteenth meeting, the Committee discussed State appropriations from the federal CARES Act, the work of the Hawaii

COVID-19 Public Health Recovery Task Force, and updates from the CARES Act, Housing and Homelessness, and Agriculture & Food Stream subcommittees.

I. OPENING REMARKS FROM SPEAKER SAIKI

The Legislature on Friday approved approximately \$630 million in appropriations of CARES Act funds that had been deposited into the State's rainy day fund.

II. CARES ACT APPROPRIATIONS UPDATE

Majority Leader Della Au Belatti and House Committee on Finance Staff provided a PowerPoint presentation on the CARES Act initiative that would be simple to implement, ensured accountability, and avoided duplication of funds. In addition to the \$1.25 billion direct grant to Hawaii, over \$9 billion total is available to Hawaii individuals, businesses, nonprofits, and government. The PowerPoint presentation included a summary of how funds were allocated. Speaker Saiki noted that the \$618 million is in addition to another \$2 billion in federal funds earmarked for specific purposes.

III. CARES ACT SUBCOMMITTEE UPDATE

Lauren Nahme of Kamehameha Schools, Chair of the CARES Act Subcommittee, provided an update. The purpose of the Subcommittee, which was formed last week, is to monitor the spending of CARES Act funds and ensure that these funds are spent timely and effectively. The tasks of the Subcommittee include identifying the appropriate funds and their purposes and monitoring the status of expenditures of these funds. The Subcommittee would like to, within six to twelve months, help Committee members communicate with their constituents

regarding what funds were received, how funds were deployed and by whom, and what impact the funds ultimately made. The first meeting of the CARES Act Subcommittee is expected to be within a week.

Speaker Saiki noted the importance of this Subcommittee, as there is not a designated individual in the Administration responsible for tracking the funds and monitoring how the funds are expended. He also noted that the funds will not be limited to state agencies, but will also include non-profit grants.

IV. HAWAII COVID-19 PUBLIC HEALTH RECOVERY TASK FORCE UPDATE

Dr. Mark Mugiishi, President and Chief Executive Officer, Hawaii Medical Service Association, provided an update regarding the COVID-19 Public Health Recovery Task Force. Dr. Mugiishi noted the concerns about the increase in the number of COVID-19 cases in Hawaii. Dr. Mugiishi cautioned that the rise in cases was expected as the State began its reopening; however, the rise in cases has not reached a level to merit increased concern. In general, concerns about an increase in the number of cases are tied to whether an area is close to meeting hospital capacity, which Hawaii is not. The other concern is whether there has been a doubling number of COVID-19 cases in consecutive weeks, which is also not happening in Hawaii. The Task Force will continue to monitor the situation.

Committee members also noted the importance of reminding the community about social distancing, proper hand hygiene, wearing face masks, and staying home while sick.

Tina Yamaki, Retail Merchants of Hawaii, raised a concern from retailers regarding face masks. Ms. Yamaki noted that businesses are

the ones subject to fines for non-compliance with the face mask requirement, rather than the public, even when individuals enter a business and refuse to wear masks. Speaker Saiki asked Majority Leader Belatti to raise this issue with the Department of the Attorney General.

A question was raised regarding pre-screening at airports and if it referred to travelers leaving from Hawaii or travelers coming to Hawaii from overseas. Pre-screening requirements are currently for travelers entering the State, including tourists who, after August 1, 2020, take advantage of pre-travel testing and waive the 14-day quarantine and residents travelling out of Hawaii and returning to Hawaii after August 1, 2020. Currently, there is not a plan that would allow for Hawaii residents once they return to Hawaii. The Committee noted that there may be some constitutional issues associated with having different travel requirements for Hawaii residents versus out-of-state residents, which could warrant further discussion with the Department of the Attorney General.

The Committee discussed the need to communicate the importance of pre-travel testing, including the difficulties and potential delays associated with getting pre-travel testing on the mainland. A communication plan is currently being developed in response to this.

Speaker Saiki noted that the limitations faced by returning Hawaii residents include the lack of rapid testing capacity. However, he noted that \$90 million in CARES Act funding was provided to the Department of Transportation for more screening and testing capacity.

Chris Tatum, President and Chief Executive Office of the Hawaii Tourism Authority, noted that a preliminary communications plan is currently being worked on by the Hawaii Tourism Authority and Hawaii Visitors and Convention Bureau. Weekly conference calls with industry stakeholders regarding the communications plan will start this week. Outreach on pre-testing and health and safety protocols will continue and the Hawaii Tourism Authority will be working with tour operators and activity providers to ensure that all relevant information is communicated to visitors.

Alan Oshima noted that the State has the ability to test up to 5,000 people each day, which can be increased with the funding recently approved by the Legislature. Contact tracing via the agreement with the University of Hawaii will onboard 300 more contact tracers by the end of July. Speaker Saiki requested more details from Mr. Oshima at the next meeting, as the meeting will be two weeks out from the State's August 1 reopening. Mr. Oshima also noted that Hawaii's policy will be for visitors to bear the cost of any pre-testing; the State will not subsidize pre-testing of residents or visitors.

V. HOUSING AND HOMELESSNESS SUBCOMMITTEE UPDATE

James Koshiha, Hui Aloha, provided an update to the Committee. The Legislature recently passed into a law a housing relief and resilience program, which will help people who may be at risk of homelessness. The Subcommittee is working on implementation of the program to ensure rapid implementation in August when there is expected to be a wave of need. The Subcommittee is working to ensure

that the funds from the program are distributed in an equitable way so that those with language, technological, or other barriers have access to the funds, as the law is implemented on a first come, first serve basis. According to a recent UHERO forecast, there is likely to be a significant number of people who remain unemployed in 2021, which is after the State's CARES Act funds have been expended. With this in mind, the Subcommittee is also looking at solutions that can extend into 2021, including community-based solutions and other funding sources, such as the counties' CARES Act funds, which have a longer shelf life than the State CARES Act funds. Mr. Koshiba noted the continuing need for a safety net as there will still be people who fall through the cracks, despite the best efforts of the State and the counties.

VI. AGRICULTURE & FOOD STREAM SUBCOMMITTEE UPDATE

Representative Richard H. K. Onishi provided an update to the Committee. The Subcommittee had its first meeting on June 18, 2020, where it discussed the need for additional stakeholders in the agriculture and food streams. Subcommittee members have been vetting potential members for the Subcommittee and have submitted a few names to Speaker Saiki. The Subcommittee discussed its base purpose -- to see what was learned from the pandemic and what initiatives and improvements could be made to facilitate agriculture production and food distribution. The discussion included how to get government institutions involved in the process, making distribution easier for non-profit and private sectors, the agriculture industry's dependency on tourism, and the importance of intrastate and interstate

distribution systems. The Subcommittee hopes to provide the first report to the Committee in about a month and is in the process of scheduling meetings and working on assignments.

Committee members noted the challenges associated with distribution and production issues, including when farmers have an overage of product. A suggestion was raised to include a representative from the Hawaii Food Manufacturer's Association as a member of the Agriculture and Food Stream Subcommittee. Another concern was raised regarding the floriculture industry, as hotels and lodgings are using the industry less. Those discussions have been centered through the Department of Agriculture's Marketing Development Branch, but the Subcommittee will look into this issue. Other aspects of production and distribution will be incorporated into the Subcommittee's report.

VII. NEW SUBCOMMITTEE

Speaker Saiki announced his plan to form an additional subcommittee, which would be advisory in nature, to provide recommendations and suggestions to the Employee's Retirement System and other state funds with investment authority, to see if more investments can be made to help local sectors and businesses. Speaker Saiki asked Wes Machida, the former administrator of Employees' Retirement System and former Director of Finance, to help shape the new subcommittee. Anyone who is interested in joining this subcommittee is asked to contact Speaker Saiki.

VIII. NEXT MEETING

The Committee will reconvene on Monday, July 13, 2020, at 10:00 a.m. via videoconference.

IX. ADJOURNMENT

The Committee adjourned its meeting at 10:58 a.m.