
A BILL FOR AN ACT

RELATING TO APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the virus known as
3 "SARS-CoV-2" causes a disease named "coronavirus disease 2019"
4 (COVID-19), which was first detected in Wuhan City, Hubei
5 Province, China, in December 2019. This respiratory disease has
6 since spread globally to more than two hundred countries,
7 including the United States. On March 11, 2020, the World
8 Health Organization declared the outbreak of COVID-19 to be a
9 pandemic.

10 In February 2020, the department of health was notified of
11 a Japanese national who developed severe symptoms, sought
12 medical care, and was tested and diagnosed with COVID-19 upon
13 returning home after a trip to Hawaii that involved travel to
14 both Maui and Oahu. The first positive case of COVID-19 in
15 Hawaii was confirmed on March 6, 2020. Since then, over six
16 hundred COVID-19 cases have been confirmed in the State.



1 The Coronavirus Aid, Relief, and Economic Security Act
2 (CARES Act), Public Law 116-136, was enacted on March 27, 2020,
3 to address the extensive economic fallout of the COVID-19
4 pandemic. Among its provisions, Division A, Title V of the
5 CARES Act provided \$1,250,000,000 to Hawaii for expenditures
6 that are:

- 7 (1) Necessary and incurred due to the public health
8 emergency with respect to COVID-19;
- 9 (2) Not accounted for in the budget most recently approved
10 as of March 27, 2020, for state government; and
- 11 (3) Incurred between March 1, 2020, and December 30, 2020.

12 Accordingly, the purpose of this part is to appropriate
13 funds received by the State from the CARES Act for the purpose
14 of COVID-19 response activities and provide transparency and
15 accountability for the use of those funds.

16 SECTION 2. There is appropriated out of the funds received
17 by the State of Hawaii from the Coronavirus Aid, Relief, and
18 Economic Security Act, Public Law 116-136, the sum of
19 \$100,000,000 or so much thereof as may be necessary for fiscal
20 year 2019-2020 to be used for coronavirus disease 2019, or
21 COVID-19, response conducted pursuant to public law 116-136 and



1 associated guidance issued by appropriate federal agencies;
2 provided that beginning June 1, 2020, a monthly report shall be
3 submitted to the governor and the legislature that details all
4 allocations and expenditures.

5 The sum appropriated shall be expended by the department of
6 defense for the purposes of this section.

7 SECTION 3. There is appropriated out of the funds received
8 by the State of Hawaii from the Coronavirus Aid, Relief, and
9 Economic Security Act, Public Law 116-136, the sum of
10 \$20,000,000 or so much thereof as may be necessary for fiscal
11 year 2019-2020 to be used for thermal screening programs
12 pursuant to public law 116-136 and associated guidance issued by
13 appropriate federal agencies; provided that beginning June 1,
14 2020, a monthly report shall be submitted to the governor and
15 the legislature that details all allocations and expenditures.

16 The sum appropriated shall be expended by the department of
17 transportation for the purposes of this section.

18 SECTION 4. There is appropriated out of the funds received
19 by the State of Hawaii from the Coronavirus Aid, Relief, and
20 Economic Security Act, Public Law 116-136, the sum of
21 \$10,000,000 or so much thereof as may be necessary for fiscal



1 year 2019-2020 to be used for coronavirus disease 2019, or
2 COVID-19, response and economic recovery programs conducted
3 pursuant to public law 116-136 and associated guidance issued by
4 appropriate federal agencies; provided that beginning June 1,
5 2020, a monthly report shall be submitted to the legislature
6 that details all allocations and expenditures.

7 The sum appropriated shall be expended by the office of the
8 governor for the purposes of this section.

9 SECTION 5. There is appropriated out of the funds received
10 by the State of Hawaii from the Coronavirus Aid, Relief, and
11 Economic Security Act, Public Law 116-136, the sum of \$1,360,000
12 or so much thereof as may be necessary for fiscal year 2019-2020
13 to be used for the pandemic unemployment assistance program
14 pursuant to public law 116-136 and associated guidance issued by
15 appropriate federal agencies; provided that beginning June 1,
16 2020, a monthly report shall be submitted to the governor and
17 the legislature that details all allocations and expenditures.

18 The sum appropriated shall be expended by the department of
19 labor and industrial relations for the purposes of this section.

20 SECTION 6. There is appropriated out of the funds received
21 by the State of Hawaii from the Coronavirus Aid, Relief, and



1 Economic Security Act, Public Law 116-136, the sum of \$500,000
2 or so much thereof as may be necessary for fiscal year 2019-2020
3 to be used for the planning of a pandemic unit within the
4 department of health, to provide recommendations and guidance
5 related to contact tracing, screening, testing, and reopening
6 protocols, conducted pursuant to public law 116-136 and
7 associated guidance issued by appropriate federal agencies;
8 provided that beginning June 1, 2020, a monthly report shall be
9 submitted to the governor and the legislature that details all
10 allocations and expenditures.

11 The sum appropriated shall be expended by the department of
12 health for the purposes of this section.

13 SECTION 7. There is appropriated out of the funds received
14 by the State of Hawaii from the Coronavirus Aid, Relief, and
15 Economic Security Act, Public Law 116-136, the sum of \$300,000
16 or so much thereof as may be necessary for fiscal year 2019-2020
17 to be used for the migration of information technology and other
18 systems from the state mainframe pursuant to public law 116-136
19 and associated guidance issued by appropriate federal agencies;
20 provided that beginning June 1, 2020, a monthly report shall be



1 submitted to the governor and the legislature that details all
2 allocations and expenditures.

3 The sum appropriated shall be expended by the department of
4 human services for the purposes of this section.

5 PART II

6 SECTION 8. The legislature finds that the Coronavirus Aid,
7 Relief, and Economic Security Act (CARES Act), Public Law 116-
8 136, provided \$1,250,000,000 to Hawaii. Of this amount, only
9 the city and county of Honolulu received a direct allocation of
10 \$387,176,021.

11 The CARES Act also provided an expansion of the Federal
12 Reserve's Municipal Liquidity Facility program, which can
13 provide up to \$500,000,000,000 in direct financing to states,
14 counties, and cities to help ensure they have the funds
15 necessary to provide essential services and respond to the
16 coronavirus pandemic. Specifically, the Municipal Liquidity
17 Facility program is designed to help offset any short-term
18 losses in tax revenues resulting from reduced business and
19 consumer activity due to the coronavirus pandemic. The city and
20 county of Honolulu has been granted access to \$550,500,000 in
21 loan capacity through this program. The counties of Hawaii,



1 Maui, and Kauai can only access this program via state
2 authorization and application.

3 In order to assist all counties and ensure that all
4 counties have access to these fiscal options, the purpose of
5 this part is to:

- 6 (1) Distribute a portion of the State's share of CARES Act
7 funding to the counties of Hawaii, Maui, and Kauai;
8 and
- 9 (2) Provide a means by which the counties can utilize the
10 Municipal Liquidity Facility program.

11 SECTION 9. There is appropriated out of the funds received
12 by the State of Hawaii from the Coronavirus Aid, Relief, and
13 Economic Security Act, Public Law 116-136, the sum of
14 \$80,009,671 or so much thereof as may be necessary for fiscal
15 year 2019-2020 to be used for coronavirus disease 2019, or
16 COVID-19, response conducted pursuant to public law 116-136 and
17 associated guidance issued by appropriate federal agencies;
18 provided that:

- 19 (1) The county of Hawaii shall coordinate with the
20 department of health and appropriate medical and



1 nursing professionals when implementing contact
2 tracing and testing programs;

3 (2) The mayor of the county of Hawaii shall consult with
4 the Hawaii county council before expending any of the
5 funds appropriated by this section; and

6 (3) Beginning June 1, 2020, the county of Hawaii shall
7 submit a monthly report to the governor and the
8 legislature that details all allocations and
9 expenditures.

10 The sum appropriated shall be expended by the county of
11 Hawaii for the purposes of this section.

12 SECTION 10. There is appropriated out of the funds
13 received by the State of Hawaii from the Coronavirus Aid,
14 Relief, and Economic Security Act, Public Law 116-136, the sum
15 of \$66,598,757 or so much thereof as may be necessary for fiscal
16 year 2019-2020 to be used for coronavirus disease 2019, or
17 COVID-19, response conducted pursuant to public law 116-136 and
18 associated guidance issued by appropriate federal agencies;
19 provided that:

20 (1) The county of Maui shall coordinate with the
21 department of health and appropriate medical and



1 nursing professionals when implementing contact
2 tracing and testing programs;

3 (2) The mayor of the county of Maui shall consult with the
4 Maui county council before expending any of the funds
5 appropriated by this section; and

6 (3) Beginning June 1, 2020, the county of Maui shall
7 submit a monthly report to the governor and the
8 legislature that details all allocations and
9 expenditures.

10 The sum appropriated shall be expended by the county of
11 Maui for the purposes of this section.

12 SECTION 11. There is appropriated out of the funds
13 received by the State of Hawaii from the Coronavirus Aid,
14 Relief, and Economic Security Act, Public Law 116-136, the sum
15 of \$28,715,551 or so much thereof as may be necessary for fiscal
16 year 2019-2020 to be used for coronavirus disease 2019, or
17 COVID-19, response conducted pursuant to public law 116-136 and
18 associated guidance issued by appropriate federal agencies;
19 provided that:

20 (1) The county of Kauai shall coordinate with the
21 department of health and appropriate medical and



1 nursing professionals when implementing contact
2 tracing and testing programs;

3 (2) The mayor of the county of Kauai shall consult with
4 the Kauai county council before expending any of the
5 funds appropriated by this section; and

6 (3) Beginning June 1, 2020, the county of Kauai shall
7 submit a monthly report to the governor and the
8 legislature that details all allocations and
9 expenditures.

10 The sum appropriated shall be expended by the county of
11 Kauai for the purposes of this section.

12 SECTION 12. The director of finance is authorized to issue
13 instruments of indebtedness in the sum of \$2,100,000,000 or so
14 much thereof as may be necessary for fiscal year 2020-2021 for
15 the purpose of municipal liquidity facility under section 13(3)
16 of the Federal Reserve Act, codified at 12 United States Code
17 section 343(3).

18 PART III

19 SECTION 13. There is appropriated out of the funds
20 received by the State of Hawaii from the Coronavirus Aid,
21 Relief, and Economic Security Act, Public Law 116-136, the sum



1 of \$555,640,000 to be deposited into the emergency and budget
2 reserve fund; provided that all moneys deposited into the
3 emergency and budget reserve fund pursuant to this section shall
4 be kept in a separate and distinct account within the emergency
5 and budget reserve fund.

6 PART IV

7 SECTION 14. The sums appropriated by sections 2, 3, 4, 5,
8 6, 7, 9, 10, and 11 of this Act shall not lapse at the end of
9 the fiscal year for which the moneys have been appropriated;
10 provided that any moneys appropriated pursuant to those sections
11 that are unencumbered as of June 30, 2021, shall lapse as of
12 that date.

13 SECTION 15. This Act, upon its approval, shall take effect
14 on May 1, 2020; provided that section 12 shall take effect on
15 July 1, 2020.



Report Title:

CARES Act; Coronavirus Disease 2019; Municipal Liquidity Facility; Appropriation

Description:

Appropriates funds designated for the State by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to the counties of Hawaii, Maui, and Kauai; the departments of Defense, Transportation, Labor and Industrial Relations, Health, and Human Services; and the Office of the Governor for the public health response to the coronavirus disease 2019, or COVID-19, outbreak. Transfers remaining CARES Act funding to the emergency and budget reserve fund. Authorizes the issuance of instruments of indebtedness for the purpose of municipal liquidity facility under section 13(3) of the Federal Reserve Act. Effective 5/1/2020; provided that the authorization for the issuance of instruments of indebtedness is effective 7/1/2020. (SB75 HD1 PROPOSED)

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