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BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON PANDEMIC & DISASTER PREPAREDNESS
ON
SENATE BILL NO. 1117, S.D. 2

March 16, 2021
9:00 a.m.
Via Videoconference

**MAKING AN EMERGENCY APPROPRIATION TO THE OFFICE OF THE GOVERNOR
RELATING TO COVID-19 EXPENDITURES**

The Department of Budget and Finance supports and offers comments on Senate Bill (S.B.) No. 1117, S.D. 2.

S.B. No. 1117, S.D. 2, provides an unspecified amount of general funds to the Office of the Governor (GOV) for FY 21 to be used as a contingency fund to supplement the continuation of coronavirus (COVID-19) response-related programs and activities. This bill provides that the Governor is authorized to transfer appropriated funds among all Executive agencies as deemed necessary, and authorizes the Governor to transfer funds in excess of what is needed for each expending agency from other emergency appropriation acts relating to COVID-19 expenditures in FY 21 to the contingency fund for the purposes of this bill, provided that the following conditions are fulfilled by GOV before the expenditure of any funds: 1) establishment of a task force to develop recommendations on the roles and responsibilities of the Department of the Attorney General (AG) and the county police departments regarding COVID-19 emergency order enforcement; and 2) establishment of a statewide multi-tier system to be deployed at

the county level that includes clear metrics for allowable business activities, other allowable activities, and in-person gathering restrictions. This bill also provides an unspecified amount of general funds to the AG for FY 22 to enforce COVID-19 emergency orders and rules.

The COVID-19 pandemic has been devastating to global, national, and state economies. Federal funds appropriated to the State of Hawai'i by the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, provided funding to implement and administer various COVID-19-related response, relief, and mitigation programs and activities for the first half of FY 21. The American Rescue Plan Act of 2021 (ARPA) was also passed into law on March 11, 2021, to provide \$1.9 trillion in economic stimulus for the nation's continued recovery from the economic and health effects of the pandemic. The State of Hawai'i can use a portion of the anticipated stimulus funds toward expenditures identified in this bill; however, it is recommended, in exercise of caution and prudence, that S.B. No. 1117, S.D. 2, and other COVID-19-related emergency appropriations be passed forward "as is" until details on the ARPA are known.

As it relates to the contingency fund, experience with the CARES Act funding from the first half of FY 21 has reinforced the practical need for a "contingency fund" and flexibility to reprioritize and reallocate resources to address unforeseen needs/requirements and ever-changing circumstances.

Thank you for your consideration of our comments.



**Testimony to the House Committee on Pandemic & Disaster Preparedness
Tuesday, March 16, 2021; 9:00 a.m.
State Capitol, Conference Room 309
Via Videoconference**

RE: SENATE BILL NO. 1117, SENATE DRAFT 2, MAKING AN EMERGENCY APPROPRIATIONS TO THE OFFICE OF THE GOVERNOR RELATING TO COVID-19 EXPENDITURES.

Chair Ichiyama, Vice Chair Eli, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1117, Senate Draft 2, MAKING AN EMERGENCY APPROPRIATION TO THE OFFICE OF THE GOVERNOR RELATING TO COVID-19 EXPENDITURES.

Originally a part of the Administration's Package, this bill, as received by your Committee, would:

- (1) Appropriate an unspecified amount of general funds for fiscal year 2020-2021 to establish a contingency fund by the Office of the Governor to supplement the continuation of COVID-19 response programs;
- (2) Prohibit the use of contingency funds unless:
 - (A) The Governor establishes a task force to develop recommendations on the roles and responsibilities of the Department of the Attorney General and county police departments in the enforcement of emergency rules and orders issued to address the COVID-19 pandemic; and
 - (B) The Governor establishes by emergency order a statewide multi-tier system to address the COVID-19 pandemic, deployed at the county level that includes clear metrics for each tier;
- (3) Require the Task Force to report its findings and recommendations to the Legislature by an unspecified date; and

- (4) Appropriate an unspecified amount of general funds for fiscal year 2021-2022, for the enforcement of COVID-19-related emergency orders and rules.

This bill would take effect on July 1, 2020, to facilitate further discussion.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

Ever since COVID-19 hit Hawaii's shores, FQHCs have worked with our partner health care providers and the State Department of Health, the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu to plan and implement the enormous task of immunizing Hawaii's citizens. The federal government has helped enormously by fast-tracking the vaccine and paying for the hundreds of millions of doses that will need to be distributed throughout our Nation.

However, the federal government is not paying for the administrative costs of delivering this medication to citizens. This includes, among other things, the purchase of needles, syringes, personal protection equipment, as well as the time of health care professionals away from their normal duties to perform this added responsibility.

Because these costs were not previously budgeted, the Administration has had to scramble to find resources within existing budgets to, among other things, start the immunizations of first responders and health care providers. That they had gotten us this far, the Administration should be commended for their creativity and willingness to work with the providers.

FQHCs have done our part as well. We have searched within our limited resources to make the plan work. This has forced us and our partner organizations to make sacrifices for the benefit of our patients and communities. We gladly do this but to continue these efforts, we will need help.

For these reasons, the HPCA urges your favorable consideration of this important measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.