

Monday, September 28, 2020

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

Thirtieth State Legislature

Select House Committee on COVID-19 Economic and Financial Preparedness

Report of the Select Committee's Nineteenth Meeting,

Held on Monday, September 28, 2020

The House of Representatives established the Select House 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 nineteenth meeting, the Committee received updates on Hawaii's economy and updates from the Communications and Strategy and CARES Funds Subcommittees.

I. HAWAII ECONOMY UPDATE

Dr. Carl Bonham, Executive Director of the University of Hawaii Economic Research Organization (UHERO), provided an update on Hawaii's economy (see September 28, 2020, [UHERO Select Committee Update presentation](#) on the Committee's website). UHERO forecasts a delayed recovery because of the surge in COVID-19 cases, additional shutdown measures on the island of Oahu, and postponement of plans to reopen tourism, with a current job growth estimate of two percent. Current estimates indicate that recovery will not begin until the second half of 2021, when a vaccine is likely to be widely available, and that recover will be a long, drawn out process. Unemployment rates are anticipated to be approximately twelve percent in 2020 and nine percent in 2021. However, Dr. Bonham did note that progress is being made, as indicated by the increase in job openings and job advertisements and the increase in time people are spending at work.

Committee members expressed concern about the long-term repercussions of Hawaii lagging behind the broader national economy recovery. Dr. Bonham said UHERO's forecast models show that when Hawaii has a higher unemployment rate, there would be an outward migration of approximately 40,000 workers from the State. Dr. Bonham noted that in this kind of environment, the people who tend to do relatively well are the higher-income populations, while the people who cannot find work will be leaving. The expectation is that the population leaving Hawaii would be those individuals in service-oriented roles in the tourism and service industries. Dr. Bonham also

indicated that the reopening of the State and a commitment to keeping it open could result in a tax recovery before 2025.

II. COMMUNICATIONS AND STRATEGY SUBCOMMITTEE

Mr. Raymond Vara, President and CEO of Hawaii Pacific Health, provided an update of the Communications and Strategy Subcommittee. The Subcommittee has been working on two workstreams: COVID Pau and the Safe Travels program.

Mr. Na'alehu Anthony, who is a team leader for the Hawaii COVID Collaborative, provided an update on COVID Pau. The program has been building up messaging across multiple platforms, including social media and print advertising, and is launching a new set of videos daily. The aim is to make it as easy as possible for the public to take in the data being presented. These efforts have been well-received - the current feedback is that people are enjoying and learning from these presentations.

Mr. Vara provided an update on the Safe Travels program and where the Subcommittee saw potential vulnerabilities before the October 15, 2020, start date. The Subcommittee identified four areas of concern: building up the public health infrastructure; having an effective way for airport personnel to validate travelers' tests; ensuring a consistent strategy and policy across all counties; and ensuring that there is a communication plan that supports all constituent groups.

With respect to public health infrastructure, Mr. Vara indicated that good progress has been made and the State is in a much better place than it was just a few weeks ago. Hawaii currently has 268 contact tracers, which is approximately 125 percent of the current

recommended number, as well as 43 first contact callers, and 14 out of 20 desired disease investigators. Quarantine and isolation areas have also been identified and established.

With respect to validation of travelers' tests, Mr. Vara reported that several significant agreements have been reached with testing partners, including CVS, Walgreens, Kaiser, Hawaiian Airlines, and United Airlines. There is ongoing discussion with key countries, such as Japan and South Korea, to establish verification protocols and ongoing efforts to partner with local labs to expand testing capacity. One of the biggest steps was establishing that all travelers over five years of age must be tested. However, Mr. Vara did caution that there may be some unanticipated flow issues after tourism reopens.

With respect to ensuring a consistent strategy and policy across counties, Mr. Vara stressed that alignment between the counties was key, so that travelers have the same experience no matter what island they visit.

With respect to ensuring a strong communication plan, Mr. Vara pointed out that the Subcommittee wanted to avoid duplicating any work done by the Governor's team or other groups. The Subcommittee has been working with the Governor's team as well as with other state-level communication groups to ensure everyone is aligned and can communicate internally. The Subcommittee is also looking at ways to communicate with the community and with visitors. Some work has already been done, such as establishing a hotline, but this is an ongoing process and a lot of work needs to happen if there is to be an

effective communication plan in place by the time the Safe Travels program opens on October 15.

Committee members discussed concerns about effectively communicating with the counties and potential confusion about the counties having different quarantine requirements. Major General Kenneth Hara indicated that his team is working closely with the counties to prevent confusion. General Hara stated that his team is working on a pre-testing regimen for interisland travel and establishing a "bubble" on Kauai where visitors will receive a "sandwich" test, which entails a pre-test 72 hours prior to travel and a second test 72 hours after arrival.

Committee members also discussed how to communicate with the community about the possibility of another uptick in cases after reopening tourism and the possibility of a two-test system. Mr. Vara pointed out that the State's new baseline is no longer zero, and that a lack of capabilities and resources currently prevent the State from adopting a two-test system. The focus should be on managing new cases and having clear communication with locals and visitors on the importance of disease prevention. Dr. Mark Mugiishi, President and CEO of Hawaii Medical Service Association, noted that people need to understand that they have to cooperate with the contact tracers and that the current response rate of under 50 percent is likely due to a lack of understanding about COVID-19 and its spread.

Committee members also discussed concerns that visitors arriving from the mainland are not aware that they can receive a test at places such as CVS or Kaiser. Mr. Vara indicated that there would be a

communications rollout by these facilities starting as soon as this week. There will also be a number of sources where this information can be obtained. The State's COVID-19 dashboard, www.hawaiicovid19.com, will be the main website, which will be linked to other websites, such as the Hawaii Tourism Authority's www.gohawaii.com website. General Hara noted that the ability to determine where a visitor is in the quarantine process has been built into the Safe Travels web-based platform. Members also discussed what would happen if a visitor received a test more than 72 hours prior to traveling. As the State has a limited number of tests, the Committee noted that in this situation, a visitor would need to quarantine.

III. CARES FUNDS SUBCOMMITTEE

Ms. Lauren Nahme, Vice President of Strategy and Transformation of Kamehameha Schools, and Ms. Jill Tokuda, advisor to the Hawaii Data Collaborative, provided the report of the CARES Funds Subcommittee (see September 28, 2020, [CARES Funds Subcommittee Presentation](#) on the Committee's website). The Subcommittee discussed efforts to track expenditures and encumbrances of the \$1.25 billion in Coronavirus Relief Funds (CRF funds) and noted that one issue they have discovered is that CRF funds that have been marked as expended might have been contracted for but have not yet been spent or gone out into the community. They provided an update on state allocations, including looking at allocated funds, un-allocated funds, and the coordination of funds. They discussed the coordination between the cities and the counties and noted that there are still areas where it is unclear if the State or the county has responsibility, such as in schools, COVID

testing, and airport preparation. The Subcommittee's presentation includes a breakdown of where the various state CRF funds are allocated and the actual expenditure of CRF funds. Ultimately, \$776 million still needs to be spent, not just encumbered, and \$135.9 million still needs to be allocated. The Subcommittee is also looking into the unemployment insurance (UI) trust fund. The Subcommittee's next steps include continuing to understand and coordinate opportunities between non-CRF funds and CRF funds, continuing the coordination between the State and counties, beginning efforts to understand what "success" looks like in a year, and looking at the impact the COVID-19 pandemic has had on Asset Limited, Income Constrained Employed (ALICE) families, including new ALICE families.

Committee members discussed the remaining \$135.9 million in unallocated CFR funds and the possibility of an extension of the CARES Act deadline. Ms. Tokuda indicated that the \$135.9 million is part of the CARES Act funds that must be expended by year's end and the intent is to put any money not expended into the UI trust fund. Speaker Scott K. Saiki noted that Hawaii's congressional delegation is not optimistic that there will be an extension.

Committee members also discussed the status of reimbursement to business owners for personal protective equipment (PPE) purchases. Members noted that there is a method to receive reimbursement from the Hawaii Emergency Management Agency for PPE purchases, but that PPE deliveries have been delayed as equipment and other supplies are currently backordered.

IV. NEXT MEETING

The Committee will reconvene on Monday, October 12, at 10:00 a.m. via videoconference.

V. ADJOURNMENT

The Committee adjourned its meeting at 11:18 a.m.