



## HAWAI'I HOUSE OF REPRESENTATIVES

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Media Contact: Carolyn Tanaka

808-586-6133, 808-381-7752

[tanaka@capitol.hawaii.gov](mailto:tanaka@capitol.hawaii.gov)

### **2020 LEGISLATIVE SESSION IN RECESS AFTER COVERING \$1 BILLION SHORTFALL IN STATE BUDGET CAUSED BY COVID-19 PANDEMIC** *CARES Act funds allocated to counties to assist residents with rent and food support*

**Honolulu, Hawai'i** – The 2020 Legislative Session recessed today after passing several bills to shore up a currently projected \$1 billion shortfall in the state budget caused by the ongoing COVID-19 pandemic. The legislation will allow essential government services to continue without having to implement drastic measures such as statewide pay cuts or furloughs and give neighbor island counties funding to assist residents with rent and food needs.

The 2020 legislative session reconvened on May 11 to pass bills to stabilize the state budget and for the Senate to consider the nominations of board members and commissioners by Governor David Ige.

In Senate Bill 75 SD2 HD1, the legislature has earmarked CARES Act funds for the counties to be used to provide COVID-19 response support, including rent subsidies, direct food aid and business support to residents in need.

CARES Act funds have also been allocated to give State departments' specific funding for their virus containment response needs such as airport screening, contact tracing, and Personal Protective Equipment (PPE) for hospitals.

Bills passed during the past two weeks include:

#### **[SB 75 SD2 HD1](#) Relating to Appropriations**

- \$562.5 million in federal CARES Act funds will go to the counties to provide immediate needs, including food and rent support for their residents
- \$51.5 million in CARES Act funds and \$50 million in HEROES Act funds will go to state agencies for various COVID-19 response initiatives

- Transfers the remaining \$635 million of the CARES Act money into the State's Emergency and Budget Reserve Fund or "Rainy Day" fund to hold until a decision can be made in June how to best use the funds
- All \$1.25 billion of CARES Act funds provided to Hawai'i must be spent by December 31, 2020

Each county will receive:

- Honolulu City & County, \$387,176,021
- Hawaii County, \$80,009,671
- Maui County, \$66,598,757
- Kauai County, \$28,715,021

Funds allocated for the State government's COVID-19 response includes:

- \$40 million for the Department of Defense for response activities, including the purchase of PPE
- \$36 million for the Department of Transportation for thermal screening at airports statewide
- \$1.3 million for the Department of Labor and Industrial Relations to fund the Pandemic Unemployment Assistance (PUA) program
- \$8.145 million for the Department of Labor for information technology, systems and staffing
- \$2 million for the Department of Human Services for EBT (food stamps) and SNAP technology services
- \$14 million for the Department of Health's Disease Outbreak and Control Division to fund response activities including testing, contact tracing, and purchasing of PPE

#### SB 3139 SD1 HD1 Relating to the State Budget

- Shores up the Rainy Day fund with cash from various sources to be allocated as necessary for critical programs in the coming months
  - Converts to bond financing, currently general funded capital projects
    - \$250 million for housing construction used by the Hawai'i Housing and Finance Development Corporation
    - \$20 million for the Aloha Stadium project
  - \$25 million transfer of moneys received by the state as federal reimbursements for general funds advanced by the state in the Mental Health and Substance Abuse Special Fund
  - \$8 million transfer from the Tobacco Settlement Special Fund that was received as an increase due to a renegotiated settlement
  - \$432 million in budget cuts to the Executive and Judicial Branch budgets

#### HB 117 SD1 Deferred Raises

- Defers all salary increases slated for this fiscal year for members of the legislature, the governor, lieutenant governor, justices and judges of all state courts, administrative director of the State or an equivalent position, and department heads or executive officers and the deputies or assistants to the department heads or executive officers of the departments

- These raises had been recommended by the Commission on Salaries in early 2019, prior to the COVID-19 pandemic

[HB 2200 HD1SD1](#) The Supplemental State Budget

- Part of a package of bills to plug a \$1 billion hole in the state's \$8 billion general fund budget.
- This budget cuts about \$357 million in either unspent funds or funding for positions that have not been filled by state agencies.
- The budget allows critical government functions to remain operational during the pandemic.

[HB 1631 SD1](#) Relating to State Bonds

- Allows Governor Ige to tap into \$2.1 billion worth of federal loans to have cash on hand in case of further budget crisis.

[HB 2725 HD1 SD1](#) Capital Improvement Projects

- Capital Improvement Project budget for Fiscal Years 2020 and 2021 totals more than \$5.1 billion
- Includes renovations, repairs, and major maintenance to existing facilities, landscape improvements, new construction, land acquisition, and utility modifications statewide
- Funding much needed "shovel ready" construction projects that can begin work quickly providing jobs to help resuscitate our struggling economy

[SB 3080 SD3 HD1](#) Relating to the Judiciary

- The supplemental Judiciary budget bill cuts about \$24 million in either unspent funds or funding for positions that have not been filled
- Removes all vacant positions except judge positions
- Requires the Judiciary to submit a weekly report with detailed information on inmates who are being released from Hawai'i's correctional centers to reduce crowding and limit inmates' exposure to COVID-19.

The Legislature will reconvene in June to take up other issues related to the economy and the coronavirus pandemic.

The State Capitol will continue to operate within the confines of the Governor's statewide shutdown that remains in effect and will be closed to the general public.

The Legislature went into recess on March 17 when one lawmaker tested positive for the coronavirus.

For more information, go to <https://www.capitol.hawaii.gov/>

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