

**ACT 8**

S.B. NO. 75

A Bill for an Act Relating to Appropriations.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. The legislature finds that the virus known as “SARS-CoV-2” causes a disease named “coronavirus disease 2019” (COVID-19), which was first detected in Wuhan City, Hubei Province, China, in December 2019.

This respiratory disease has since spread globally to more than two hundred countries, including the United States. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic.

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

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

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

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

**SECTION 2.** There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$40,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for coronavirus disease 2019, or COVID-19, response conducted pursuant to Public Law 116-136 and associated guidance issued by appropriate federal agencies; provided that any COVID-19 related law enforcement activities are conducted in consultation with the attorney general; provided further that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

**SECTION 3.** There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$1,360,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for the pandemic unemployment assistance program pursuant to Public Law 116-136 and associated guidance issued by appropriate federal agencies; provided that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

**SECTION 4.** There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$8,154,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for information technology, systems, and staffing pursuant to Public Law 116-136 and associated guidance issued by appropriate federal agencies; provided that beginning June 1, 2020, a monthly

report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

SECTION 5. The following positions are authorized to be funded by federal funds received pursuant to Public Law 116-136 by the department of labor and industrial relations:

- (1) Three full-time equivalent (3.0 FTE) hearings officers;
- (2) Thirty full-time equivalent (30.0 FTE) claims assistants; and
- (3) Nine full-time equivalent (9.0 FTE) auditors;

provided that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature on the status of these positions.

SECTION 6. There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for information technology and other systems pursuant to Public Law 116-136 and associated guidance issued by appropriate federal agencies; provided that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

## PART II

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

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

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

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

SECTION 8. There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$80,009,671 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for coronavirus disease 2019, or COVID-19, response conducted pursuant to Public Law 116-136 and associated guidance issued by appropriate agencies; provided that:

- (1) The county of Hawaii shall coordinate with the department of health and appropriate medical and nursing professionals when implementing contact tracing and testing programs;
- (2) The mayor of the county of Hawaii shall consult with the Hawaii county council before expending any of the funds appropriated by this section; and
- (3) Beginning June 1, 2020, the county of Hawaii shall submit a monthly report to the governor and the legislature that details all allocations and expenditures.

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

SECTION 9. There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$66,598,757 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for coronavirus disease 2019, or COVID-19, response conducted pursuant to Public Law 116-136 and associated guidance issued by appropriate agencies; provided that:

- (1) The county of Maui shall coordinate with the department of health and appropriate medical and nursing professionals when implementing contact tracing and testing programs;
- (2) The mayor of the county of Maui shall consult with the Maui county council before expending any of the funds appropriated by this section; and
- (3) Beginning June 1, 2020, the county of Maui shall submit a monthly report to the governor and the legislature that details all allocations and expenditures.

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

SECTION 10. There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$28,715,551 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for coronavirus disease 2019, or COVID-19, response conducted pursuant to Public Law 116-136 and associated guidance issued by appropriate agencies; provided that:

- (1) The county of Kauai shall coordinate with the department of health and appropriate medical and nursing professionals when implementing contact tracing and testing programs;
- (2) The mayor of the county of Kauai shall consult with the Kauai county council before expending any of the funds appropriated by this section; and
- (3) Beginning June 1, 2020, the county of Kauai shall submit a monthly report to the governor and the legislature that details all allocations and expenditures.

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

SECTION 11. The director of finance is authorized to issue instruments of indebtedness in the sum of \$2,100,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2020-2021 for the purpose of municipal liquidity facility under section 13(3) of the Federal Reserve Act, codified at 12 United States Code section 343(3).

## PART III

SECTION 12. The Paycheck Protection Program and Health Care Enhancement Act (PPHCEA), Public Law 116-139, was enacted on April 24, 2020, to further address the extensive fallout of the COVID-19 pandemic. This Act provided \$11,000,000,000 to states and other entities for necessary expenses to:

- (1) Develop, purchase, administer, process, and analyze COVID-19 tests, including support for workforce, epidemiology, and use by employers or in other settings;
- (2) Scale up of testing by public health, academic, commercial, and hospital laboratories, and community-based testing sites, health care facilities, and other entities engaged in COVID-19 testing, and
- (3) Conduct surveillance, trace contacts, and other activities related to COVID-19 testing.

The State will receive \$50,283,598 for these activities pursuant to Public Law 116-139.

The purpose of this part is to make appropriations for testing, contact tracing, thermal screening, and other efforts.

SECTION 13. There is appropriated out of the funds received by the State of Hawaii from the Paycheck Protection Program and Health Care Enhancement Act, Public Law 116-139, the sum of \$36,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for thermal screening programs pursuant to Public Law 116-139 and associated guidance issued by appropriate federal agencies; provided that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

SECTION 14. There is appropriated out of the funds received by the State of Hawaii from the Paycheck Protection Program and Health Care Enhancement Act, Public Law 116-139, the sum of \$14,000,000 or so much thereof as may be necessary for fiscal year 2019-2020 to be used for outbreak control, contact tracing programs, and personal protective equipment, pursuant to Public Law 116-139 and associated guidance issued by appropriate federal agencies; provided that beginning June 1, 2020, a monthly report shall be submitted to the governor and the legislature that details all allocations and expenditures.

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

## PART IV

SECTION 15. There is appropriated out of the funds received by the State of Hawaii from the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, the sum of \$635,986,000 to be deposited into the emergency and budget reserve fund; provided that all moneys deposited into the emergency and budget reserve fund pursuant to this section shall be kept in a separate and distinct account within the emergency and budget reserve fund.

## PART V

SECTION 16. This Act, upon its approval, shall take effect on May 1, 2020; provided that section 11 shall take effect on July 1, 2020.

(Became law on July 7, 2020, without the governor's signature, pursuant to Art. III, §16, State Constitution.)