THE SENATE  
THIRTIETH LEGISLATURE, 2019  
STATE OF HAWAII

S.B. NO. 75  
S.D. 2  
H.D. 1  
PROPOSED

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

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 $100,000,000 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 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
$20,000,000 or so much thereof as may be necessary for fiscal
year 2019-2020 to be used for thermal screening programs
pursuant to public law 116-136 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
transportation 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
$10,000,000 or so much thereof as may be necessary for fiscal
year 2019-2020 to be used for coronavirus disease 2019, or
COVID-19, response and economic recovery programs conducted
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 legislature
that details all allocations and expenditures.

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

SECTION 5. 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 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 $500,000
or so much thereof as may be necessary for fiscal year 2019-2020
to be used for the planning of a pandemic unit within the
department of health, to provide recommendations and guidance
related to contact tracing, screening, testing, and reopening
protocols, conducted 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
health for the purposes of this section.

SECTION 7. 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 $300,000
or so much thereof as may be necessary for fiscal year 2019-2020
to be used for the migration of information technology and other
systems from the state mainframe 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 8. 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 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 $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 federal 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 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 $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 federal 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 11. 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 federal 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 12. 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 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 13. 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 $555,640,000 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 IV

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

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

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.