

Monday, August 2, 2021

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

Thirty-First Legislature

Regular Session of 2021

House Select Committee on COVID-19 Economic and Financial Preparedness

Report of the Select Committee's Twenty-Ninth Meeting,

Held on Monday, August 2, 2021

The House of Representatives established the House Select 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 twenty-ninth meeting, the Committee received an update on Hawaii's economy from the University of Hawaii Economic Research

Organization (UHERO) and a public health update from health care industry leaders.

I. OPENING REMARKS

Speaker Scott Saiki opened the meeting by noting that he had received inquiries from the public about when Committee meetings would resume. Based on positive feedback, it is apparent that these meetings have been a good source of information for the public and thus, it made sense to restart the meetings.

II. ECONOMIC UPDATE

Dr. Carl Bonham, Executive Director of UHERO, began his economic update by reviewing the optimistic outlook from UHERO's May 2021 report, which forecast substantial recovery in Hawaii and the rest of the country. At that time, there was some concern about the international community not getting vaccinated, although Dr. Bonham noted that Canada has now surpassed the United States in vaccinations.

The progress on vaccinations, along with the federal stimulus funds (including the expanded unemployment benefits and direct payments to households), were sources of optimism that promoted hope for positive economic recovery. The recent exponential growth of the Delta variant in the State puts that recovery in question, as it is the first time that the positive case rate in the State is on par with the rest of the country.

Dr. Bonham stated that UHERO is working on its next forecast but there is not the same amount of optimism compared to the previous report. There has been a strong tourism industry rebound, with visitor arrivals at almost 90 percent of 2019 levels. However, jobs

recovery is only 40 percent complete, and the State is still down about 94,000 jobs. He stressed that there is still a long way to go for jobs recovery, as underemployment remains near a record high and industry sectors that have been hit the hardest still have not recovered. There is also additional uncertainty as unemployment insurance benefits and the eviction moratorium are set to expire soon. Housing insecurity in the State continues to linger, as about 25,000 households are late on rent, have missed a payment, or have very low odds of making their next payment. However, the labor market is continuing to show slow improvement, as there is currently no sign of market slowdown nor a drop-off in movement activity. Dr. Bonham noted that there remains no clear sign that people are retrenching from economic activity even with the rise in case counts due to the Delta variant, but hospital capacity always remains a determining factor going forward.

Dr. Bonham received several questions on how the State's jobs recovery compares to the national average and what may contribute to the underemployment in the tourism industry, as visitor arrivals are close to pre-pandemic levels. He said that the slowdown in the State is comparable to what is happening around the country. As for underemployment, unemployment benefits have had some impact on people's willingness to work, but data shows that underemployment levels are consistent between states that have maintained unemployment benefits and states that have eliminated these benefits. There were additional comments from the Committee regarding how the tourism

industry continues to be under stress and how employers in the industry plan to actively recruit new workers.

III. MEDICAL UPDATE

Dr. Jill Hoggard Green, President and CEO, The Queen's Health Systems, provided an update on the Delta variant that is in the community. She highlighted the concerning qualities of the variant that are different from the regular COVID-19 strains. First, the Delta variant spreads rapidly and infects more people on average. Dr. Green noted that this is especially concerning, as one person infected with the Delta variant can spread the virus to seven to nine people, whereas a person infected with the regular COVID-19 strain can spread the virus to one or two people. Second, for those who are unvaccinated, the severity of the illness may be more critical since the Delta variant can have a higher viral load. She further added that because of this, the rates of hospitalization for the unvaccinated may rise.

Dr. Green also stated that, fortunately, we know what helps in preventing the spread of the Delta variant, the most important of which is getting vaccinated. She also emphasized the importance of vaccinated and unvaccinated people wearing masks, indoors and outdoors, and continuing to maintain social distance. Finally, she noted that hospitalizations are rapidly rising, predominately among individuals who are unvaccinated. Two weeks ago, Queen's hospitals had four patients hospitalized for COVID. On the morning of August 2, 2021, that number had grown to 56.

Mr. Raymond Vara, President and CEO, Hawaii Pacific Health, stressed the importance of getting vaccinated. He noted that limiting the spread of the Delta variant is completely within the control of the community. People should be encouraged to get vaccinated, practice good hygiene, and wear masks. Staying home when sick and avoiding large gatherings have and will also make a difference. He also added that employers need to think about these expectations within their own workforces, including the importance of vaccines.

Dr. Mark Mugiishi, President and CEO, Hawaii Medical Service Association, mentioned some internal information from the Centers for Disease Control and Prevention (CDC), which was reported in a recent Washington Post article. This CDC information showed that the Delta variant is very concerning but that the COVID-19 vaccine is very good.

The Committee questioned the efficacy of the Safe Travels Program at preventing the spread of the virus. Dr. Bonham noted that he had not seen any data about travelers from the mainland being infected and that the majority of people hospitalized for COVID-19 are unvaccinated Hawaii residents. Dr. Green echoed this and said that what Queen's is seeing are cases that are primarily linked to residents returning from travel or community spread tied to large gatherings. The Committee expressed concern over the health care industry's intake capacity for COVID-19 patients and whether the health care system will continue to do elective procedures. Dr. Green and Mr. Vara noted that these concerns are being monitored and that the health care industry is working together to ensure continued access to appropriate care throughout the community.

A question was raised whether anyone had any indication of when a COVID-19 vaccine would receive full FDA approval, and Dr. Mugiishi noted that the target date is early 2022 but there is a desire and potential sample size to achieve approval sooner. Committee members expressed interest and inquired about guidance for employers regarding vaccination policies or mandates in the workforce. Mr. Vara noted that every industry is different and mandated vaccines may not be possible across all industries. However, there is some middle ground that should be considered between a full vaccine mandate and doing nothing. The Committee noted the importance of employers developing some form of vaccine policy. Inquiries were also made about whether there would be public employer vaccine mandates or vaccine mandate policies, as there is currently no single policy for state public sector workplaces.

IV. CLOSING

Speaker Scott Saiki closed the meeting by noting that the government must be a leader on these difficult issues and that he intends to develop and implement a House-wide vaccination policy for House members and staff, wherein individuals must be vaccinated or will be subject to weekly tests.

V. NEXT MEETING

The Committee will be notified via email of the next scheduled meeting.

V. ADJOURNMENT

The Committee adjourned its meeting at 11:04 a.m.