
A BILL FOR AN ACT

RELATING TO ECONOMIC DIVERSIFICATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the virus known as
2 SARS-CoV-2 causes a disease named coronavirus disease 2019
3 (COVID-19), which spread globally and was declared a pandemic by
4 the World Health Organization on March 11, 2020. Upon reaching
5 Hawaii's shores, the COVID-19 outbreak disrupted the local
6 economy, leaving hundreds of thousands of residents unemployed,
7 underemployed, or facing financial hardship. Low-wage workers
8 were disproportionately harmed by Hawaii's economic downturn,
9 which worsened their financial precarity and left thousands of
10 working families unable to pay for food, housing, electricity,
11 and other necessities.

12 The legislature further finds that at the peak of Hawaii's
13 economic downturn, the State experienced levels of unemployment
14 not seen since the Great Depression. For example, the
15 unemployment rate for the Kahului-Wailuku-Lahaina metropolitan
16 area skyrocketed to thirty-five per cent in April 2020, nearly
17 ten per cent higher than the national unemployment rate at the



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1 peak of the Great Depression and the highest of any metropolitan
2 area in the United States at the time, according to the United
3 States Bureau of Labor Statistics.

4 The legislature additionally finds that Hawaii's high
5 pandemic-related unemployment rate is largely a result of the
6 State's dependence on tourism to drive economic growth. Roughly
7 twenty-five per cent of jobs in Hawaii are connected to tourism,
8 according to the University of Hawaii Economic Research
9 Organization. As the number of airline passengers dwindled from
10 approximately thirty thousand per day in 2019 to a few hundred
11 in the spring of 2020 because of public health concerns and
12 quarantine restrictions on visitors, job losses in the tourism
13 industry accelerated, while tax revenue derived from tourism-
14 related economic activity plummeted, resulting in an estimated
15 \$2,000,000,000 budget shortfall as of August 2020.

16 The legislature also finds that it is in the best interest
17 of Hawaii's people to ensure economic stability at all times,
18 including during times of crisis. Yet, in May of 2020, the
19 state chief economist estimated that the tourism industry would
20 not recover to pre-pandemic levels of economic activity for at
21 least five to six years. Therefore, to guarantee the financial



1 well-being of Hawaii's residents and the continuation of
2 essential government services, it is necessary to replace the
3 islands' prolonged dependence on tourism with sustainable
4 alternatives to generate fiscal prosperity.

5 The purpose of this Act is to establish a Hawaii 2030
6 economic diversification task force and a Hawaii 2030 economic
7 diversification plan to advance the State's goal of creating a
8 sustainable and stable economy for Hawaii's people.

9 SECTION 2. (a) There is established a Hawaii economic
10 diversification task force to develop a plan to diversify the
11 State's economy by the year 2030. The task force shall consist
12 of the following members:

- 13 (1) A member from the senate, to be appointed by the
14 senate president;
- 15 (2) A member from the house of representatives, to be
16 appointed by the speaker of the house of
17 representatives;
- 18 (3) A representative of the governor, to be appointed by
19 the governor;
- 20 (4) The director of business, economic development, and
21 tourism or the director's designee;



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- 1 (5) The director of health or the director's designee;
- 2 (6) The chairperson of the board of agriculture or the
- 3 chairperson's designee;
- 4 (7) The chairperson of the board of land and natural
- 5 resources or the chairperson's designee;
- 6 (8) The superintendent of education or the
- 7 superintendent's designee;
- 8 (9) The chief energy officer of the State of Hawaii or the
- 9 chief energy officer's designee;
- 10 (10) The State auditor or the auditor's designee;
- 11 (11) The director of the office of planning or the
- 12 director's designee;
- 13 (12) The chief executive officer of the office of Hawaiian
- 14 affairs, or the chief executive officer's designee;
- 15 (13) The executive director of the Hawaii technology
- 16 development corporation or the executive director's
- 17 designee;
- 18 (14) A member from each county, to be appointed by the
- 19 mayor of each respective county;
- 20 (15) Three representatives from labor unions, to be
- 21 appointed by the governor;



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- 1 (16) A representative from a nonprofit, public interest
- 2 organization specializing in advocacy for
- 3 environmental and conservation issues;
- 4 (17) A representative from a nonprofit, public interest
- 5 organization specializing in advocacy for children;
- 6 (18) A representative from a nonprofit, interfaith
- 7 organization in Hawaii;
- 8 (19) A representative from a nonprofit, public interest
- 9 organization that advocates on behalf of low-income
- 10 individuals and families in Hawaii on civil legal
- 11 issues of statewide importance; and
- 12 (20) A representative from a nonprofit, public interest
- 13 organization that advocates on behalf of issues
- 14 relating to sustainable agriculture and food security.
- 15 (b) The task force shall select its chairperson from among
- 16 its members.
- 17 (c) The members of the task force shall serve without
- 18 compensation but shall be reimbursed for expenses, including
- 19 travel expenses, necessary for the performance of their duties.
- 20 (d) The task force shall review, solicit input on, and
- 21 establish the Hawaii 2030 economic diversification plan, which



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1 shall serve as a guide to the State on methods and policies for
2 the diversification of Hawaii's economy. In establishing the
3 Hawaii 2030 economic diversification plan, the task force shall
4 consider:

5 (1) Possibilities for diversifying Hawaii's economy to
6 minimize the adverse fiscal impact of disruptions in
7 the tourism industry, including investments in clean
8 energy, sustainable agriculture, environmental
9 conservation and restoration, public health,
10 technological innovation, and film production;

11 (2) Strategies for reallocating public and private sector
12 funding from tourism to other areas of economic
13 opportunity;

14 (3) Means of expanding access to educational and
15 vocational training necessary to enable Hawaii's
16 workforce to meet the demands of economic
17 diversification;

18 (4) Development of a framework to ensure that the
19 diversification of Hawaii's economy supports other
20 State goals and initiatives, including the goals of



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1 becoming 100 per cent reliant on renewable energy and
2 increasing statewide food security;

3 (5) Means to increase community engagement in a public
4 discussion to achieve a consensus on the State's
5 preferred future; and

6 (6) Means to coordinate actions needed to sustain a
7 diversified and sustainable economy that provides a
8 high quality of life to the people of Hawaii.

9 (e) The task force may develop criteria or benchmarks as
10 necessary to assist in the development of measuring incremental
11 compliance with task force recommendations enacted into law or
12 adopted as policies by governmental agencies and in guiding
13 budgetary priorities.

14 (f) The task force may participate in and collaborate with
15 any other task force for purposes of this Act.

16 (g) The task force shall submit a report of its findings
17 and recommendations, including any proposed legislation, to the
18 legislature no later than twenty days prior to the convening of
19 the regular session of 2023. The report shall be designated as
20 the Hawaii 2030 economic diversification plan, which shall serve



1 as a guideline for funding and implementation by state and
2 county agencies.

3 (h) The auditor, with the assistance of the office of
4 planning, shall review the plan every ten years after its
5 initial submission and report to the legislature.

6 (i) The task force shall cease to exist on June 30, 2023.

7 SECTION 3. This Act shall take effect upon its approval.

8

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jean Piper", written over a horizontal line.

JAN 20 2021



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Report Title:

Hawaii 2030 Economic Diversification Task Force; Establishment;
Hawaii 2030 Economic Diversification Plan

Description:

Establishes the Hawaii 2030 economic diversification task force to develop a plan to diversify the State's economy by 2030. Requires the task force and the auditor to submit reports to the legislature.

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

