HAWAIʻI LEGISLATORS ANNOUNCE PLAN TO USE CARES FUNDS TO SUPPORT HAWAII’S UNEMPLOYED AND SMALL BUSINESSES, REBUILD HAWAII’S ECONOMY
$635 million will support unemployed residents, provide housing assistance and job training opportunities, and diversify Hawaii’s economy

June 19, 2020; Honolulu, Hawaiʻi – Senate President Ronald D. Kouchi, State House Speaker Scott K. Saiki, Senator Donovan M. Dela Cruz, and Representative Sylvia Luke announced the Legislature’s comprehensive plan to use $635 million in federal CARES Act funds to provide ongoing, immediate relief to residents and small businesses who are suffering from the devastating economic shutdown caused by the coronavirus (COVID-19) pandemic. The plan aims to support and reinforce the social safety net for our residents, rebuild and move our economy forward, and address the ongoing pandemic.

“The Legislature is acutely aware of the daily challenges facing Hawaii’s working residents. The economic impacts of COVID-19 in Hawaiʻi has further exacerbated the need to support working families. The CARES Act funds will provide immediate relief for Hawaiʻi’s families and local businesses,” said Representative Luke, Chair of the House Finance Committee.

The plan sets aside $230 million to support unemployed residents until the end of the year. “These critical funds will provide a new state unemployment insurance weekly benefit that replaces the weekly federal plus-up payments set to expire July 31,” explained Senator Dela Cruz, Chair of the Senate Ways and Means Committee. “Beginning August 1, an estimated 117,000 unemployed individuals will receive the State’s enhanced weekly unemployment benefit of $100.”

Over 34,000 households are expected to receive help from the plan’s $100 million funded rental and housing assistance subsidies. The State’s most financially vulnerable households will receive rental assistance in the form of a $500 monthly subsidy or 50% of rent, whichever is lesser, for up to five months from August 1 to December 31.
Another $56 million will be used to bring back small businesses, support training and job programs connecting unemployed with local businesses in need of employees, and provide manufacturing grants to local companies that can create local supply chains for necessary cleaning supplies and personal protection equipment (PPE).

“The push to diversify the State’s economy has been a priority for years. The pandemic has exposed the urgency with which we need to provide workforce development and businesses with the tools to learn how to thrive beyond the tourism economy,” said House Speaker Saiki. “We are proud to announce this plan that will address the immediate needs of residents and small businesses, and in the process will aide in stimulating our economy.”

Addressing the public health needs of the COVID-19 pandemic is another pillar to the comprehensive funding plan. “The Legislature’s plan devotes $100 million to distribute ample sanitation and PPE supplies for essential workers beyond the health care community including child care facilities, elderly care homes, small businesses, schools, and non-profits that work with populations vulnerable to the coronavirus,” said Senate President Ronald Kouchi.

The Legislature’s proposed plan builds upon UHERO’s estimates that $618 million in spending will generate more than $1 billion in Gross Domestic Product over the coming year and help Hawai‘i’s households and businesses by supporting up to 6,500 jobs. The plan provides discretion to the Ige Administration to spend the remaining CARES funds to pay for unanticipated and emerging needs. This discretionary amount could be used to bolster Hawai‘i’s unemployment insurance funds or support COVID-19 related programs.

For video of legislators announcing plan, visit https://www.facebook.com/watch/live/?v=2759894364335751

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ATTACHED: Power Point of CARES Act spending