



THE HAWAII STATE SENATE  
The Twenty-Sixth Legislature  
Regular Session of 2012

COMMITTEE ON WAYS AND MEANS

The Honorable Sen. David Y. Ige, Chair  
The Honorable Sen. Michelle N. Kidani, Vice Chair

DATE OF HEARING: Friday, February 24, 2012  
TIME OF HEARING: 9:00 a.m.  
PLACE OF HEARING: Conference Room 211

**TESTIMONY ON SB 2035 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE  
REVENUE BONDS TO ASSIST WAHIAWA GENERAL HOSPITAL**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW strongly supports SB 2035, which authorizes the issuance of special purpose revenue bonds of up to \$3,000,000, for Wahiawa General Hospital to construct health care facilities.

The recent closures of Hawaii Medical Centers located in Ewa and Liliha have created a medical crisis on Oahu. We are faced with a severe reduction of emergency medical services, chronic long-term care services, as well as basic care. This bill would allow Wahiawa General Hospital to expand their facility and provide additional medical services for neighboring communities.

Thank you for the opportunity to testify on this measure.



SENATE COMMITTEE ON WAYS AND MEANS  
Senator David Ige, Chair

Conference Room 211  
February 24, 2012 at 9:00 a.m.

**Supporting SB 2035:**            **Relating to the Issuance of Special Purpose Revenue Bonds to Assist Wahiawa General Hospital**

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to testify in support of SB 2035, which authorizes the issuance of special purpose revenue bonds (SPRBs) for Wahiawa General Hospital.

State law authorizes the Department of Budget and Finance to issue SPRBs for certain types of projects that benefit the community. These projects include health care facilities that are provided to the general public by not-for-profit corporations.

SPRBs are attractive to corporations because they reduce the cost of financing capital projects. At the same time, they are attractive to investors because the interest income derived from them is exempt from State taxes.

It should be noted that the issuance of SPRBs does not involve any appropriation or expenditure of State funds, and it does not affect the financial liability of the State. The bonds are backed by the revenue from the particular project funded by the non-profit corporation.

Wahiawa General Hospital is a not-for-profit corporation that intends to use the SPRBs as a means of financing health care facilities. In providing financial support to Wahiawa General Hospital, this bill will improve access to health care for Hawaii's residents.

For the foregoing reasons, the Healthcare Association supports SB 2035.