

TESTIMONY BY KALBERT K. YOUNG
INTERIM DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HUMAN SERVICES
ON
SENATE BILL NO. 209

February 8, 2011

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST PALOLO CHINESE HOME AND ITS SUBSIDIARIES

Senate Bill No. 209 authorizes the issuance of up to \$40,000,000 in special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, and its not-for-profit subsidiaries, to finance the expansion, construction, and rebuilding of its health care facilities pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department recommends amendments to two Sections of the bill, as follows (new language underlined):

“SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2016, to issue special purpose revenue bonds...”

“SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2016.”

The amendments to Sections 4 and 5 will allow this authorization for a period of five years, which will be consistent with Section 39A-117, HRS, and provides for a maximum authorization period of five years from its enactment.



PALOLO CHINESE HOME

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Committee on Human Services

Palolo Chinese Home

Tuesday, February 8, 2011

Support for S.B. No. 209, Relating to Special Purpose Revenue Bonds

The Palolo Chinese Home (PCH) is a 501 (c) (3) not-for-profit organization. For more than a hundred years, PCH has been providing shelter and care to Hawaii's seniors. Its origins date back to 1896 and it is Hawaii's largest and second oldest Adult Residential Care Home (ARCH II – Expanded Care). PCH has 61 nursing home and 50 residential care beds; an adult day care program for 30 senior participants and an adult respite care program that provides short-term overnight stays for community seniors. PCH also provides hospice care on its campus through partnerships with all hospice care providers in Hawaii.

We strongly support S.B. #209, Relating to Special Purpose Revenue Bonds, which would provide the Home with the ability to finance its campus redevelopment efforts. In 2005, Act 118 was signed which authorized the Department of Budget and Finance to issue special purpose revenue bonds not to exceed \$40,000,000 for the purpose of assisting PCH to finance the expansion, construction and rebuilding of its health care facilities. Unfortunately, PCH was not able to not access bond financing before funding lapsed. Phases I and II of our campus redevelopment program is now complete and we are planning for the third and final phase. S.B. 209 will give PCH access to additional construction funds and enable PCH to consolidate the financing of all three phases.

Mission Statement

To assist and care for elders and their families by providing a continuum of care which is professional and interdisciplinary, in a culturally sensitive family setting

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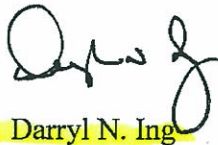
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With the tremendous shortage of nursing home beds in Hawaii, Palolo Chinese Home has the opportunity to serve the community at a greater level by providing additional nursing and care home beds for seniors. Hawaii has the longest lifespan for seniors and leads the nation in the shortage of skilled nursing beds, lack of affordable housing for seniors and the highest number of extended family households due to the high cost of housing. PCH's master plan for its campus, seeks to help address these problems through expansion of its services.

In increasing care home options for our seniors and their families, we strive to optimize their physical and mental health and well-being. We urge the committee to pass S.B. #209. Thank you for this opportunity to testify.



Darryl N. Ing
Chief Executive Officer
Palolo Chinese Home

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