

JAN 17 2014

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# A BILL FOR AN ACT

RELATING TO VETERANS.

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

1           SECTION 1. The legislature finds that the State of Hawaii  
2 has an opportunity to meet a growing community need: long-term  
3 care resources. The number of aging baby-boomers continues to  
4 increase, not only in the State of Hawaii, but across the  
5 nation. Increasing advancements in medical science and  
6 technology have also resulted in citizens in our communities  
7 living longer. As such, the number of residents needing long-  
8 term care has grown exponentially and includes an ever-growing  
9 veterans population. This has resulted in a significant  
10 shortage of long-term care facilities statewide.

11           Through the efforts of our congressional delegation,  
12 particularly the late Senator Daniel K. Inouye, steps were  
13 initiated to address some of these long-term care needs,  
14 particularly for those who provided military service to our  
15 country. In 2004, the State built its first veterans home in  
16 Hilo, Hawaii, naming it in honor of Medal of Honor recipient  
17 Yukio Okutsu. The cost for completing this ninety-five-bed  
18 capacity nursing care facility, a cost which included planning,



1 design, and construction costs, as well as expenditures for  
2 equipment, furnishings, and interior decoration, was  
3 \$45,000,000. Sixty-five per cent of these costs were paid for  
4 using federal funds acquired through the Department of Veterans  
5 Affairs with the legislature providing the remaining thirty-five  
6 per cent.

7 The Yukio Okutsu state veterans home is owned and licensed  
8 by the State and managed by contract with oversight provided by  
9 the Hawaii health systems corporation. There is no operational  
10 or maintenance cost to the State. Those who are eligible for  
11 residency in the home include honorably discharged veterans,  
12 their spouses, and Gold Star parents who are disabled by age or  
13 disease, or those incapable of earning a living due to  
14 disability. Services include domiciliary, nursing home, and  
15 adult day health care. Eligible individuals residing in a state  
16 veterans home also receive a federal per diem allowance of \$94  
17 per day with veterans who are one hundred per cent disabled  
18 receiving a higher per diem allowance.

19 With approximately one hundred twenty thousand veterans in  
20 Hawaii, forty-four thousand of whom are over the age of sixty-  
21 five, and a shortfall of one hundred seventy-three long-term  
22 care beds, Hawaii's veterans would greatly benefit from the



1 development of another facility to address their long-term care  
2 needs.

3 At the time the Yukio Okutsu state veterans home was built,  
4 Hawaii was one of three states in the nation that did not  
5 possess a state veterans home. Consequently, the Veterans  
6 Affairs grant application for Hawaii's first veterans home  
7 received priority consideration, and the project rose to the  
8 number one position on the federal funding list.

9 The Department of Veterans Affairs distributes  
10 approximately \$85,000,000 annually to assist states with  
11 providing state veterans homes. With a shortfall of one hundred  
12 seventy-three beds, an increasingly aging veteran population,  
13 and the general growth of the population of veterans in Hawaii  
14 due to the drawdown of troops in Iraq in 2011 and the  
15 forthcoming pullout of troops from Afghanistan in 2014, the  
16 State can make a strong case to receive federal funds to build  
17 an additional veterans home based on need. Furthermore, there  
18 is expected to be a need for additional long-term care  
19 facilities and services for veterans in the near future since  
20 the Department of Veterans Affairs estimates that, across the  
21 nation, over one million members of the armed services will  
22 become veterans within the next five years.



1           The building of a state veterans home also has economic  
2 benefits to the State. The building of the Yukio Okutsu state  
3 veterans home resulted in an economic boost from the creation of  
4 construction and other jobs, as well as the need for support  
5 positions, including physicians, social workers, and nurses.  
6 Businesses on Hawaii island also saw an economic boost through  
7 the provision of materials and the initiation of long-term  
8 contracts.

9           In addition, educational benefits can also be realized  
10 through the building of a veterans facility. The Yukio Okutsu  
11 state veterans home cooperates with the department of nursing at  
12 the University of Hawaii at Hilo to provide expanded clinical  
13 and professional experience for nursing students. The building  
14 of an additional veterans long-term care facility would provide  
15 a similar benefit fostering the establishment of medical and  
16 educational relationships and mutual support in the community in  
17 which the facility is built.

18           The purpose of this Act is to authorize the issuance of  
19 general obligation bonds for the construction of a veterans  
20 long-term care facility.

21           SECTION 2. The director of finance is authorized to issue  
22 general obligation bonds in the sum of \$                    or so much




1 thereof as may be necessary and the same sum or so much thereof  
 2 as may be necessary is appropriated for fiscal year 2014-2015  
 3 for the purpose of funding the State's portion of construction  
 4 of a one hundred seventy-three bed veterans long-term care  
 5 facility; provided that no bond issuance shall be made unless  
 6 the federal government appropriates per cent of the funds  
 7 needed to complete the facility.

8 SECTION 3. The appropriation made for the capital  
 9 improvement project authorized by this Act shall not lapse at  
 10 the end of the fiscal biennium for which the appropriation is  
 11 made; provided that all moneys from the appropriation  
 12 unencumbered as of June 30, 2016, shall lapse as of that date.

13 SECTION 4. The sum appropriated shall be expended by the  
 14 Hawaii health systems corporation for the purposes of this Act.

15 SECTION 5. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: Will Zygo  
  
 Rosalee H. Bell



# S.B. NO. 2603

**Report Title:**

Long-term Care Facility; Veterans; General Obligation Bonds

**Description:**

Authorizes the issuance of GO bonds for the construction of a long-term care facility for veterans contingent upon the receipt of federal funds. Effective July 1, 2014.

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

