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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

**TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 3066**

**February 6, 2018
10:00 A.M.
Room 211**

RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST A NOT-FOR-PROFIT CORPORATION THAT PROVIDES HEALTH CARE FACILITIES TO THE GENERAL PUBLIC

Senate Bill No. 3066 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Wahiawa General Hospital with completion of deferred facilities and maintenance projects that are necessary for the health and safety of patients and staff pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link:

<http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

In addition, the Department recommends an amendment to Section 4 of the bill, as follows (deleted language striked through; new language underlined):

“SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, ~~2019~~ 2023, to issue special purpose revenue bonds...”

The amendment to Section 4 will allow the special purpose revenue bonds to be refunded after the sunset date of the authorization.

Thank you for your consideration of our comments.



WAHIAWA GENERAL HOSPITAL

TESTIMONY

**SB3066 RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST A
NOT-FOR-PROFIT CORPORATION THAT PROVIDES HEALTH CARE
FACILITIES TO THE GENERAL PUBLIC**

Submitted to the:

SENATE COMMITTEE ON WAYS & MEANS
Hawaii State Capitol
Conference Room 211

Hearing Date & Time:
February 6, 2018 at 10:00 a.m.

Good morning Chairman Dela Cruz, Vice Chairman Keith-Agaran and members of the Senate Committee on Ways and Means. My name is Brian Cunningham and I am the CEO of Wahiawa General Hospital.

First, I would like to express our deepest appreciation to the Committee and its members for standing with Wahiawa General Hospital to identify solutions to our current financial situation by hearing the bill before you today. Years of deferred maintenance and repair have created quite a challenge for the hospital and we have appreciated the state legislators help with this.

Please know that in addition to deferred maintenance needs, the hospital incurred major debt obligations over the past years to keep itself afloat. As a result, Wahiawa General Hospital currently has no further debt capacity. With the help of our legislators, we have certainly made great strides over the last year related to our financial health as well as our quality of care. However, at this time, we are not in a position to incur any additional financial debt, even if that debt is via a State Special Purpose Revenue Bond.

It is with deepest respect, that we instead request your support of House Bill 2666 "Relating to Capital Improvement Projects for the Benefit of the Forty-Sixth Representative District". Capital Improvement funds from the State are needed for basic maintenance projects such as replacing an a/c system that is years past its useful life and which can no longer be repaired. We also need funds to implement repairs required by the Joint Commission in order to re-open our Senior Behavioral Health Unit. This Unit is sorely needed by the seniors in our community to receive appropriate care.

Once again, thank you for your support and consideration.

IBEW1260

‘A‘OHE HANA NUI KE ALU ‘IA

February 6, 2018

The Twenty-Ninth Legislature
Hawaii State Senate
Committee on Ways and Means

SB3066 - RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST A NOT-
FOR-PROFIT CORPORATION THAT PROVIDES HEALTH CARE FACILITIES TO THE
GENERAL PUBLIC.

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

The International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO (IBEW1260), represents more than 3500 members, has advocated for all workers in the State of Hawaii for over seventy-five years and respectfully offers the following testimony in **STRONG SUPPORT** of Senate Bill 3066 (SB3066) which will assist Wahiawa General Hospital to complete facility and maintenance projects necessary for the health and safety of patients and staff.

As the only medical facility providing emergency medical services in Mililani, Wahiawa, Waialua, Sunset and Kahuku, communities which encompass nearly a third of the entire island; closure of Wahiawa General Hospital would be detrimental to the health, welfare and safety of anyone living, working or traveling through these communities. Those bearing the brunt of this impact will be our kupuna, keiki and the chronically ill. Additionally, closure of Wahiawa General Hospital, one of the largest employers in Central Oahu, would serve a serious financial blow to the Central Oahu community as Wahiawa General Hospital provides well-paying, middle-class jobs to over 600 employees most of whom live within the surrounding communities.

For these reasons, IBEW1260 respectfully ask the Committee to **SUPPORT SB3066** allowing Wahiawa General Hospital to continue serving our community.

Mahalo for the opportunity to testify on this issue.

Respectfully,



Michael M. Brittain
Asst. Business Manager
IBEW1260 / AFL-CIO

SB-3066

Submitted on: 2/5/2018 9:27:34 AM

Testimony for WAM on 2/6/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

SB-3066

Submitted on: 2/2/2018 5:26:59 PM

Testimony for WAM on 2/6/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Bruns	Individual	Support	No

Comments:

After the recent missile alarm, when I was reviewing blast and radiation fallout effects radius distances for various warhead sizes, I realized how critically important hospitals like Wahiawa and Kahuku could be if downtown and west Oahu facilities are damaged or contaminated.