

STAND. COM. REP. NO. 458

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 601
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 601 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES TO THE GENERAL PUBLIC,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$240,000,000, to assist Hawai'i Pacific Health, a Hawaii nonprofit corporation, and one or more of its nonprofit affiliates in financing the costs of the construction of, improvements to, and equipping of their health care facilities.

Your Committee received testimony in support of this measure from Hawai'i Pacific Health. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Department of Budget and Finance is authorized to issue special purpose revenue bonds to finance projects for not-for-profit corporations that provide health care facilities to the general public. Your Committee further finds that Hawai'i Pacific Health is such an entity. Your Committee also finds that Hawai'i Pacific Health is embarking on a multiphase, multiyear modernization and redevelopment of its existing health care facilities at Straub Medical Center to create



a future-forward medical facility to serve the people of Hawaii in the years ahead. Your Committee finds that in light of the evolution and changes in the way care is provided, the redevelopment of Straub Medical Center is crucial to providing high quality health care to the community, and authorizing the issuance of special purpose revenue bonds to assist Hawai'i Pacific Health in financing the project is in the best interest of public health.

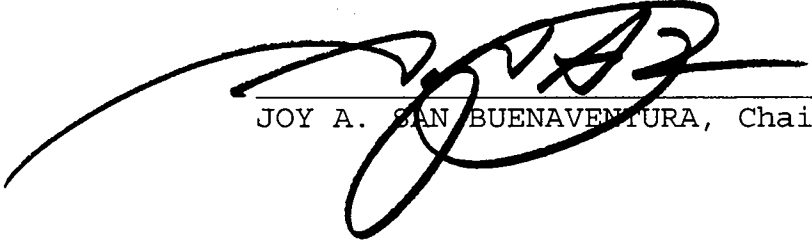
Your Committee notes the testimony of the Department of Budget and Finance informing the Legislature and the prospective special purpose revenue bonds parties that should this measure be approved, approval of the issuance of the special purpose revenue bonds and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements.

Your Committee has amended this measure by:

- (1) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 601, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:* <i>SB 601</i>	Committee Referral: <i>HHS, HAM</i>	Date: <i>2/6/23</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.	✓			
AWA, Brenton			✓	
TOTAL	<i>4</i>		<i>1</i>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes