

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

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

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
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HONOLULU, HAWAII 96810-0150

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

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 1255, H.D. 1, S.D. 1

**March 31, 2023**  
**9:45 A.M.**  
**Room 211 and Videoconference**

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

The Department of Budget and Finance offers the following comments on House Bill No. 1255, H.D. 1, S.D. 1, which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist West Maui Hospital Foundation, Inc., a Hawaii nonprofit corporation, to finance the costs related to the design and construction of and equipment for the West Maui Hospital and Medical Center, including any necessary infrastructure improvements pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform 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>.

Thank you for your consideration of our comments.

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Nohelani U'u-Hodgins



Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 30, 2023

TO: The Honorable Donovan M. Dela Cruz, Chair, and  
Members of the Senate Committee on Ways and Means

FROM: Alice L. Lee  
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF MARCH 31, 2023; TESTIMONY IN SUPPORT OF HB 1255, HD1, SD1, RELATING TO SPECIAL PURPOSE REVENUE BONDS**

Thank you for the opportunity to testify in **support** of this important measure. The measure's purpose is to authorize the Department of Budget and Finance to issue Special Purpose Revenue Bonds for up to \$20 million to assist with the construction of the West Maui Hospital and Medical Center.

On December 16, 2022, the Maui County Council adopted Resolution 22-252, CD1, "URGING THE STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF HAWAII TO PROVIDE FOR THE ESTABLISHMENT OF THE PROPOSED WEST MAUI HOSPITAL AND MEDICAL CENTER." Therefore, I am providing this testimony on the Council's behalf.

The Maui County Council **supports** this measure for the following reasons:

1. This measure would provide the financial support necessary to continue the development of the West Maui Hospital and Medical Center, which will provide the region with its first acute care hospital.
2. An acute care hospital is needed because unprecedented projected rates of growth in residents and visitors will substantially increase healthcare demands for the already underserved West Maui population.
3. The West Maui Hospital and Medical Center will create significant job opportunities for local residents trained in health care.

For the foregoing reasons, the Maui County Council **supports** this measure.

**LATE**

**RICHARD T. BISSEN, JR.**  
Mayor

**KEKUHAUPIO R. AKANA**  
Managing Director



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COUNTY OF MAUI  
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March 29, 2023

TO: Honorable Senator Donovan M. Dela Cruz, Chair  
Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

FROM: Richard T. Bissen, Jr., Mayor

DATE: March 29, 2023

SUBJECT: **SUPPORT OF HB1255 HD1, SD1, RELATING TO SPECIAL PURPOSE  
REVENUE BONDS**

Thank you for the opportunity to testify and offer comments in **SUPPORT** of this important measure. The purpose of this measure is to authorize the issuance of special purpose revenue bonds ("SPRB") to assist West Maui Hospital Foundation, Inc., in the construction of West Maui Hospital and Medical Center, including any necessary infrastructure.

Our administration **SUPPORTS** this measure for the following reasons:

1. This measure would provide the financial support necessary to continue the development of the West Maui Hospital and Medical Center, which will provide the region with its first acute care hospital. An acute care hospital is needed because West Maui has an estimated population of 31,410 residents, and approximately 55,000 daily visitors that substantially increase healthcare demands for the already underserved West Maui population.
2. West Maui's distance from Maui Memorial Medical Center and challenging traffic conditions along Honoapi'ilani Highway have often resulted in injured and sick residents and visitors having to endure ambulance drive times of more than an hour, posing life-threatening dangers.
3. The West Maui Hospital and Medical Center will create significant job opportunities for local residents.

Furthermore, we would like to clarify that pursuant to Article 9, section 9-12 of the Charter of the County of Maui, the Maui County Council has the sole authority to incur obligations on the part of the County of Maui, such as acting as a guarantee on bond financing. Our understanding is that the bill, as written, does not attempt to mandate that Maui County act as the guarantor, but instead, makes the issuance of any bonds contingent upon the County of Maui agreeing to do so through the Maui County Council and the legislative process.

We would like to suggest removing reference to requiring any guarantor for the debt service on the SPRB. It is our intention to continue to work with the West Maui Hospital Foundation in an effort to move this project forward.

For the foregoing reasons, I offer my **SUPPORT** of this measure.

**LATE**

**HB-1255-SD-1**

Submitted on: 3/30/2023 9:46:52 AM

Testimony for WAM on 3/31/2023 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jo Anne J Winer	Testifying for West Maui Hospital Foundation	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee Members -

Thank you so much for getting us to this point in our struggle in building our West Maui Hospital. This is literally a life and death situation for our community. Also this may be our last chance to move this measure forward so we cannot risk any missteps in these final days.

Based on my past experience on Council, only the Maui County Council has the to enter into any such agreement to act as guarantor.

Our fear is that rather than expedite the process if a requirement for a guarantor is included, it could actually sink the measure entirely. There is no assurance that Council or another entity would consent to acting as guarantor.

Therefore in the section(s) that "require" the county to act as the guarantor for the debt service on the SPRB in order for the state to proceed, the wording should be changed to read "encourages the participation of the County of Maui in acting as a possible guarantor for the SPRB bonds, but does not require this as a condition of bond issuance."

Either that or eliminate the reference to requiring a guarantor as a condition entirely.

Please help us to help others by passing this measure on by eliminating that a guarantor be required.

Sincerely, JoAnne Johnson Winer



*Maui Hotel & Lodging*  
ASSOCIATION

**LATE**

Testimony of  
Lisa H. Paulson  
Executive Director  
Maui Hotel & Lodging Association

Senate Committee on Ways and Means  
**House Bill 1255 HD1 SD1: Relating to Special Purpose Revenue Bonds**

March 31, 2023, 9:45 am  
Conference Room 211

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry for Maui County. We represent over 180 property and allied business members and 22,000 employees. **MHLA supports House Bill 1255 HD1 SD1**, which authorizes the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the county of Maui, including any necessary infrastructure. Requires the county of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

Mau has only one acute care hospital, Maui Memorial Medical Center, located in Central Maui. West Maui is one of Hawaii's premier visitor destinations and has a growing residential population but has no acute care hospital or 24-hour urgent care facilities. West Maui's distance from Maui Memorial Medical Center often requires residents and visitors to be transported by ambulance for close to an hour, which could result in delayed treatment or even the patient's death.

We appreciate the latest amendments exempting this Measure from the requirement of Act 182, Session Laws of Hawaii 2022. Furthermore, MHLA supports an additional amendment in the section(s) that "require" the county to act as the guarantor for the debt service on the SPRB in order for the state to proceed; the wording should be changed to read "encourages the participation of the County of Maui in acting as a possible guarantor for the SPRB bonds but does not require this as a condition of bond issuance."

This additional amendment will help this measure pass and keep the momentum forward in supporting the construction of a West Maui facility.



*Maui Hotel & Lodging*  
ASSOCIATION

For the reasons stated above, **MHLA supports House Bill 1255 HD1 SD1.**

Thank you for the opportunity to provide this testimony.

**HB-1255-SD-1**

Submitted on: 3/29/2023 3:08:02 PM

Testimony for WAM on 3/31/2023 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
James Kimo Falconer	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Senate Ways and Means Committee,

Please support HB 1255 HD1 SD1 as a means for West Maui to finally have the urgent care facility it has needed for decades. Should you currently be a person with compromised health or in a emergency situation, being on the West Side of Maui is a perilous place to be. The residents and visitors have a right to quick emergency services.

The West Maui Hospital project is well supported financially allowing for a quicker means to bond funding. It is perhaps the most important ask for West Maui in generations.

Mahalo for your keeping those in need in mind while considering this bill, and thank you for allowing this testimony.