

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'AINA O KA MOKU'AINA 'O HAWAII



STATE OF HAWAII
DEPARTMENT OF HEALTH
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KENNETH S. FINK, M.D., M.G.A., M.P.H.
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

Testimony in SUPPORT of S.B. 1448

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR CONSTRUCTION DEFECT REMEDIATION AT THE HAWAII STATE HOSPITAL.

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Hearing Date: February 3, 2025, 1:00 PM Room Number: 225

1 **Department Testimony:** The Department of Health (Department) strongly supports S.B. 1448,
2 making an emergency appropriation to implement crucial construction defect remediation in the
3 Hale Ho'ōla Building of the Hawaii State Hospital (HSH).

4 The HSH provides the following testimony on behalf of the Department and the Adult Mental
5 Health Division (AMHD).

6 The Department supports an emergency appropriation of \$8,160,000 to the Department
7 of Health for construction defect remediation at the HSH. This funding is inclusive of
8 \$6,160,000 for repairs and \$2,000,000 for legal fees and costs of special deputy attorneys
9 general to explore all possible avenues of remediation.

10 The urgency of this request stems from the potential risks to the health and safety of the
11 patients and staff at the HSH. A significant concern is the presence of water leaks in the
12 building's exterior envelope and plumbing systems. Due to these leaks, a fungal investigation
13 was conducted. The investigation confirmed water intrusion along with evidence of mold and
14 mold growth.

15 The fungal investigation provided the Department with recommendations for short-,
16 intermediate-, and long-term responses. The HSH immediately performed the short-term
17 response but requires funds to perform the intermediate- and long-term responses.

1 1. Short-term response

- 2 a. Immediately following the investigation, the HSH performed an initial
3 response of cleaning out all visible and accessible mold.

4 2. Intermediate responses (responses utilizing this emergency appropriation)

- 5 a. Investigate and identify water leaks and standing water in the building and
6 at entry points.
7 b. Conduct mold abatement, including removal and cleaning of mold growth
8 in all affected areas.
9 c. Perform emergency HVAC repairs to replace failed components and
10 investigate HVAC system to evaluate system performance.

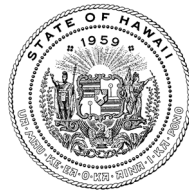
11 3. Long-term response (additional CIP funding required):

- 12 a. Reroofing the building and repairs and improvements to other elements of
13 the building envelope, plumbing, and other major building systems, to
14 provide a lasting solution to issues of water intrusion.
15 b. Repair and adjust the HVAC system to improve air circulation and
16 moisture control.

17 Additionally, the HSH has received grievances from staff through the unions regarding
18 the identified mold and the significant risk that it poses, violating their contract and the public
19 employee's collective bargaining agreement for a safe and healthy work environment.

20 The HSH has been working closely with the Department of Accounting and General
21 Services to cure these issues. This emergency appropriation is crucial to fund immediate repairs
22 that can be done to ensure the health and safety of the patients and staff who live and work at the
23 HSH.

24 Thank you for the opportunity to testify in support of this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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STATE OF HAWAII
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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 HEALTH AND HUMAN SERVICES
ON
SENATE BILL NO. 1448

February 3, 2025
1:00 p.m.
Room 225 and Videoconference

**MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH
FOR CONSTRUCTION DEFECT REMEDIATION AT THE HAWAII STATE HOSPITAL**

The Department of Budget and Finance (B&F) supports this Administration bill but offers a technical amendment to add an expenditure ceiling declaration clause because the general fund expenditure ceiling for FY 25 has already been exceeded.

Senate Bill (S.B.) No. 1448 makes an emergency appropriation of \$8,160,000 in general funds to the Department of Health to fund construction defect remediation at the Hawai'i State Hospital to address mold growth and leaks at the Hale Ho'ola Building.

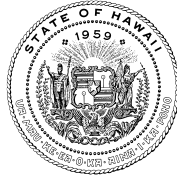
B&F suggests that S.B. No. 1448 be amended by adding a new section as follows:

"SECTION __. In accordance with section 9 of article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the state general fund expenditure ceiling for fiscal year 2024-2025 has already been exceeded by \$8,551,795 or 1 per cent. In addition, the appropriations contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2024-2025 to be further exceeded by \$8,160,000, or 1 per cent. The

reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the needs addressed by this Act.”

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON HEALTH AND HUMAN SERVICES

FEBRUARY 3, 2024, 1:00 P.M.
CONFERENCE ROOM 225 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 1448

MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH
FOR CONSTRUCTION DEFECT REMEDIATION AT THE HAWAII STATE HOSPITAL

Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee,
thank you for the opportunity to submit testimony on S.B. 1448.

The Department of Accounting and General Services (DAGS) offers testimony in **support** of this bill which will make an emergency appropriation of \$8,160,000 to the Department of Health (DOH) to implement remediation of construction defects at the Hale Ho'ola Building of the Hawaii State Hospital (HSH). The funding is inclusive of moneys for the remediation actions and legal fees and costs of engaging Special Deputy Attorneys General to explore all possible avenues of remediation and cost recovery.

The urgency of this request stems from the potential risks to the health and

safety of the patients and staff at the Hale Ho'ola Building. A significant concern is the presence of water leaks in the building's exterior envelope and plumbing systems. Due to these leaks and the propensity for leaks to result in fungal growth, a fungal investigation was conducted. The investigation confirmed evidence of mold spores and mold growth.

The fungal investigation provided DAGS and DOH with recommendations for short-, intermediate-, and long-term responses. The HSH immediately performed the short term-response but requires funds to perform the intermediate and long-term responses.

1. Short term response:
 - a. Immediately following the investigation, the HSH performed an initial response of cleaning out all visible and accessible mold.
2. Intermediate responses (responses utilizing this emergency appropriation):
 - a. Investigate and identify water leaks and standing water in the building and at entry points.
 - b. Conduct mold abatement, including removal and cleaning of mold growth in all affected areas.
 - c. Perform emergency HVAC repairs to replace failed components and investigate HVAC system to evaluate system performance.
3. Long-term response (additional CIP funding required):
 - a. Reroofing the building and repairs and improvements to other elements of the building envelope, plumbing, and other major building systems, to provide a lasting solution to issues of water intrusion.
 - b. Repair and adjust the HVAC system to improve air circulation and moisture control.

Additionally, DAGS is aware the HSH has received grievances from staff through the unions regarding the identified mold and the significant potential health risk that it poses, violating their contract and the public employee's collective bargaining

agreement for a safe and healthy work environment.

The HSH has been working closely with DAGS to cure these issues, and DAGS will continue to work closely with DOH and the hospital in that regard. This emergency appropriation is crucial to fund the intermediate responses that can be implemented to ensure the health and safety of the patients and staff who live and work at the HSH.

Thank you for the opportunity to provide testimony on this measure.