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# A BILL FOR AN ACT

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

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

1           SECTION 1. This Act is recommended by the governor for  
2 immediate passage in accordance with article VII, section 9, of  
3 the Constitution of the State of Hawaii.

4           SECTION 2. In January 2018, the State awarded a  
5 \$140,000,000 contract for a design-build delivery construction  
6 for the Hale Ho'ola Building project located at Hawaii state  
7 hospital. After the project's acceptance, and a warranty period  
8 of two years, the State encountered various issues, many  
9 stemming from latent defects due to poor design and  
10 construction. Investigations into the root causes are still  
11 ongoing. The department of accounting and general services has  
12 been holding the contractor accountable for these issues, but  
13 with limited success.

14           A major concern is the occurrence of water leaks in both  
15 the building's exterior and plumbing systems and mold growth.  
16 Immediate action is necessary to address these issues to enable



1 Hawaii state hospital to deliver quality care to patients who  
2 live in the building year around.

3       Additionally, the department of health has received  
4 grievances from staff regarding violations of article 21 of  
5 their contract, covering safety and health, and the public  
6 employees' collective bargaining agreement, citing an unsafe  
7 working environment.

8       Due to insufficient funds to fix these issues, the  
9 department of health is requesting an emergency appropriation to  
10 address mold growth and leaks in the Hale Ho'ola Building.

11       Accordingly, the purpose of this Act is to make an  
12 emergency appropriation to the department of health for  
13 construction defect remediation at the Hawaii state hospital.

14       SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$10,660,000 or so  
16 much thereof as may be necessary for fiscal year 2024-2025 to  
17 fund construction defect remediation, including the payment of  
18 legal fees and costs of special deputy attorneys general, at the  
19 Hawaii state hospital; provided that any civil fines accrued  
20 from litigious suits, damages, and settlements awarded shall be  
21 deposited into the general fund.



1           The sum appropriated shall be expended by the department of  
2 health for the purposes of this Act.

3           SECTION 4. The appropriation made for the construction  
4 defect remediation authorized by this Act shall not lapse at the  
5 end of the fiscal biennium for which the appropriation is made;  
6 provided that all moneys from the appropriation unencumbered as  
7 of June 30, 2026, shall lapse as of that date.

8           SECTION 5. In accordance with section 9 of article VII of  
9 the Constitution of the State of Hawaii and sections 37-91 and  
10 37-93, Hawaii Revised Statutes, the legislature has determined  
11 that at the beginning of the regular session of 2025, the  
12 general fund expenditure ceiling for fiscal year 2024-2025 was  
13 exceeded by \$8,551,795, or one per cent. The appropriations  
14 contained in Act 1, Session Laws of Hawaii 2025, caused the  
15 general fund expenditure ceiling for fiscal year 2024-2025 to be  
16 further exceeded by an additional \$30,334,159. Therefore, the  
17 general fund expenditure ceiling for fiscal year 2024-2025 has  
18 already been exceeded by \$38,885,954, or one per cent.

19           The appropriations contained in this Act will cause the  
20 general fund expenditure ceiling for fiscal year 2024-2025 to be  
21 further exceeded by \$10,660,000, or one per cent. This



1 declaration takes into account the additional general fund  
2 appropriation authorized for fiscal year 2024-2025 in this Act  
3 only. The reasons for exceeding the general fund expenditure  
4 ceiling are that the appropriation made in this Act is necessary  
5 to serve the public interest and to meet the needs addressed by  
6 this Act.

7 SECTION 6. With the approval of the governor, the  
8 department of health may delegate to other state agencies the  
9 implementation of projects related to this Act if it is  
10 determined to be advantageous to do so by both the department of  
11 health and the agency to which expending authority is to be  
12 delegated.

13 SECTION 7. This Act shall take effect upon its approval.



**Report Title:**

Emergency Appropriation; DOH; Hawaii State Hospital;  
Construction Defect Remediation; Expenditure Ceiling

**Description:**

Makes an emergency appropriation to the Department of Health to fund construction defect remediation of the Hale Ho'ola Building at the Hawaii State Hospital, including the payment of legal fees and costs for special deputy attorneys general. Declares that the general fund expenditure ceiling for fiscal year 2024-2025 has been exceeded. (HD2)

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