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

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



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

6 SECTION 5. In accordance with section 9 of article VII of
7 the Constitution of the State of Hawaii and sections 37-91 and
8 37-93, Hawaii Revised Statutes, the legislature has determined
9 that the state general fund expenditure ceiling for fiscal year
10 2024-2025 has already been exceeded by \$8,551,795 or one per
11 cent. In addition, the appropriations contained in this Act
12 will cause the state general fund expenditure ceiling for fiscal
13 year 2024-2025 to be further exceeded by \$8,160,000, or one per
14 cent. The reasons for exceeding the general fund expenditure
15 ceiling are that the appropriation made in this Act is necessary
16 to serve the public interest and to meet the needs addressed by
17 this Act.

18 SECTION 6. With the approval of the governor, the
19 department of health may delegate to other state agencies the
20 implementation of projects related to this Act if it is
21 determined to be advantageous to do so by both the department of



1 health and the agency to which expending authority is to be
2 delegated.

3 SECTION 7. This Act shall take effect on July 1, 2050.



S.B. NO. 1448
S.D. 2

Report Title:

DOH; HSH; Construction Defect Remediation; Emergency
Appropriation; Expenditure Ceiling

Description:

Makes an emergency appropriation to the Department of Health to fund construction defect remediation of the Hale Ho`ola Building of 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. Effective 7/1/2050. (SD2)

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