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DEPARTMENT OF BUDGET AND FINANCE

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

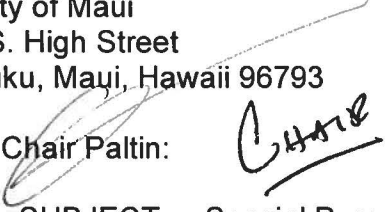
ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

November 19, 2024

VIA EMAIL: drip.committee@mauicounty.us

The Honorable Tamara Paltin
Chair, Disaster, Resilience, International
Affairs, and Planning Committee
County of Maui
200 S. High Street
Wailuku, Maui, Hawaii 96793

Dear Chair Paltin:


SUBJECT: Special Purpose Revenue Bond Authorization for West Maui
Hospital Foundation, Inc. (DRIP-2(23))

Thank you for your November 8, 2024 letter referencing the discussion on the establishment of the proposed West Maui Hospital and Medical Center through the issuance of state special purpose revenue bond (SPRB). Here are our responses to your questions.

1. Please explain the State's role in issuing special purpose revenue bonds and the County's role, if any, in this process.

The State Department of Budget and Finance (Department) is able to facilitate the transaction and issue the bonds pursuant to Chapter 39A, Hawaii Revised Statutes (HRS). A necessary part of this process under the Chapter 39A is that the Department must determine that the project party is a responsible party or that the obligations of the project party under the project agreement will be unconditionally guaranteed by a person who is a responsible party. The Department uses an application process to help make that determination. The applications and other forms can be found here:

<https://budget.hawaii.gov/finance/debt-management/bond-forms/>

Act 73, Session Laws of Hawaii 2023 (Act 73), the authorization for this SPRB does not specify a county role.

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2. Please explain whether state-special purpose revenue bonds authorized under Act 73 may be used for land acquisition.

Under Section 39A-31, HRS, land acquisition would be a permissible use of the SPRB bond proceeds.

Sincerely,

A handwritten signature in black ink, appearing to read 'Luis P. Salaveria', with a long horizontal line extending to the right.

LUIS P. SALAVERIA
Director of Finance

DRIP Committee

From: DBF.BudgetandFinance <BudgetandFinance@hawaii.gov>
Sent: Friday, November 22, 2024 9:06 AM
To: DRIP Committee
Subject: RE: Discussion on the Establishment of the Proposed West Maui Hospital and Medical Center through the Guarantee of State Special Purpose Revenue Bond Issuance (DRIP-2(23))
Attachments: Ltr. to Chair Paltin - DRIP-2(23).pdf

Aloha,

Attached please find a response to Chair Paltin's request from Director Salaveria.

Thank you.

Department of Budget and Finance
(808) 586-1518

From: DRIP Committee <DRIP.Committee@mauicounty.us>
Sent: Friday, November 8, 2024 4:00 PM
To: DBF.BudgetandFinance <BudgetandFinance@hawaii.gov>
Cc: DRIP Committee <DRIP.Committee@mauicounty.us>
Subject: [EXTERNAL] Discussion on the Establishment of the Proposed West Maui Hospital and Medical Center through the Guarantee of State Special Purpose Revenue Bond Issuance (DRIP-2(23))

Mr. Salaveria: Please refer to the attached letter from Maui County Council's Disaster, Resilience, International Affairs, and Planning Committee Chair Tamara Paltin, dated November 8, 20224.
Please respond by November 22, 2024.

Thank you,
DRIP Committee Staff