

New Hawai'i State Veterans Home

Objective: Achieve State Supplemental Funding in FY21 for this project through legislation

Context: Legislators and Council Members in the sited district, the Villages of Kapolei Association, and the Kapolei Neighborhood Board have all provided their support for this project that will be a prominent healthcare facility serving eligible Veterans and their loved ones in the fastest growing city on Oahu dubbed "the Second City."

The award of these grant funds is a tremendous, unanticipated benefit of U.S. Department of Veterans Affairs' one-time distribution of nearly \$700 million to grant applicants nationwide. We do not anticipate funding of this magnitude to be available again for another 5 -10 years. The sooner we can translate federal infusion of funds to the State of Hawai'i into hard benefits, the better we can serve our communities.

Governor Ige's Supplemental Budget proposal released on 16 Dec 19 recommends adds of ~\$30M (~\$26M State Funds & ~\$4M Federal Funds) for the Veterans Administration Long-Term Care Facility project on O'ahu.

Who: State Office of Veterans Services (State Dept. of Defense), Dept. of Accounting and General Services, and U.S. Department of Veterans Affairs

What: State building second long-term care facility for Hawai'i's Veterans located on approximately 7-acres of a 26-acre HHFDC parcel in Kapolei

- 120-bed facility, with single occupancy rooms
- Approximately 7 acres; 130,000 square feet
- Parking for visitors and employees
- Support facilities that include rehabilitation rooms, therapy rooms, kitchen, dining, laundry, and administrative offices
- The building will be two stories high, lower than the 65-ft site height limit
- Types of services: Skilled Nursing Care, Rehabilitation Therapies, Hospice Care, Long-Term Care, Geriatric Mental Health, Alzheimer's Care, Dementia, Adult Day Health and Respite Care
- ***Will veterans from the other counties be able to live in the new facility?***
Yes, this is a statewide facility for Hawai'i Veterans.



Why: Hawai'i's Veterans served our country at great personal and family cost. Now, we need to provide for their long-term care.

- Approximately 117,000 Hawai'i Veterans, and two-thirds live on O'ahu; the only one State Veterans Home in Hilo and one VA Community Living Center (CLC) on the Tripler Campus
- Hilo has 95-bed capacity and the CLC has a 60-bed capacity; based on our State Veteran demographics, there remains a shortfall of 173 beds
- Reduces long-term care burden at state public/private facilities
- ***Why aren't you building a big enough facility to meet demand – today and in the future?*** Limited funds and land. There may also be an opportunity to assess another neighbor island to design/plan/construct a third State Veterans Home to support state and community needs.
- Will provide approximately 200 healthcare and administrative jobs
- Internships with the University of Hawai'i West Oahu College and with neighboring high schools anticipated with emphasis on Science, Technology, Engineering and Math (STEM) principles.

How: Federal/state funds allocated for new facility

- Estimated Project Cost including design, construction, furniture and equipment: ~\$98M
- ~\$44.7 million grant received from the federal government
- ~\$27.3 million in matching state funds appropriated
 - Act 122, SLH 2014, Item E-7.02 under Hawai'i Health Systems Corp. as expending agency. [Lapse: 6-30-2020]

7.02. VA LONG-TERM CARE FACILITY, OAHU

PLANS AND DESIGN FOR A NEW VA LONG-TERM CARE FACILITY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSING.

<u>PLANS</u>			<u>2,000</u>
<u>DESIGN</u>			<u>3,500</u>
<u>TOTAL FUNDING</u>	<u>HTH</u>	<u>C</u>	<u>2,000 C</u>
	<u>HTH</u>	<u>N</u>	<u>3,500 N</u>

- Act 124, SLH 2016, Item F-2 under DEF112, DOD as expending agency. [Lapse: 6-30-2022]

2. P16031 VA LONG-TERM CARE FACILITY, OAHU

PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR A NEW LONG-TERM CARE FACILITY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

<u>PLANS</u>			<u>1</u>
<u>LAND</u>			<u>1</u>
<u>DESIGN</u>			<u>1</u>
<u>CONSTRUCTION</u>			<u>58,506</u>
<u>EQUIPMENT</u>			<u>4,304</u>
<u>TOTAL FUNDING</u>	<u>DEF</u>	<u>C</u>	<u>25,384 C</u>
	<u>DEF</u>	<u>N</u>	<u>37,429 N</u>

- ***Will these funds be enough?*** Shortfall of ~\$26M State funds for construction is needed to satisfy design and construction requirements.
- ***Why the shortfall?*** Cost increases due to larger site (Leahi 2.5 acres, to Aiea 3.5 acres, to Kapolei 7 acres), program requirements and cost of inflation and escalating construction costs of doing business in Hawai'i.
- ***Can we reduce the scope of the project and build less beds to meet the current program requirements?*** If the State is unable to meet the scope of the original grant application of 120 beds, the State must submit a new grant application and defer the funding that was provided to them for this project. The State will then enter the State Veterans Home VA Priority queue and await future funding opportunities. From the original grant application, the State has endeavored for five (5) years to reach this point in obtaining VA federal monies for this project.
- ***Is the State Veterans Home self-sustaining?*** Like the first State Veterans Home in Hilo, these homes are constructed to be self-sustaining. The State has revenue projections for the first five years

of this Second Home based on multiple variables (Medicare/Medicaid offset, VA per diem, ratio of disabled Veterans) and there is a significant return on investment projected yearly after the first year of operation.

- ***What if we do not receive State supplemental funds for this project?***
The State will be required to return the ~\$44.7M dollars of the federal grant and recompute in the outyears. Furthermore, without the federal grant funding, the State will now assume 100% of the cost of the home.
- CIP State funding will be requested in the upcoming 2020 legislative session for the supplemental ~\$26M.

When: Construction could begin as early as late 2020 and be completed by early 2023

How can you help? Engage often with your respective legislative district representative through email, through phone calls and through written correspondence to voice your strong support for supplemental State funding to ensure this Second State Veterans Home is realized.

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