



909 Hāmea Street,
Kapolei, Hawaii
USA 96707

Telephone:
(808) 674-3523

Facsimile:
(808) 674-3575

March 17, 2008
1:15 p.m.
Conference Room 225

TESTIMONY TO
THE SENATE COMMITTEE ON EDUCATION

**RE: HB 2614 – Relating to the Issuance of Special Purpose Revenue Bonds for
Island Pacific Academy**

Dear Chair Sakamoto, Vice Chair Tokuda, and Members of the Committee:

My name is Dan White. I am Headmaster at Island Pacific Academy (IPA). On behalf of the 630 students and 89 staff at Island Pacific Academy, I strongly support House Bill 2614, and thank you for your support earlier this session of the Senate version of this bill, SB2364.

Island Pacific Academy is the first and largest independent school located in west Oahu, one of the fastest growing regions in the state. When the school was founded in 2004, 191 students were enrolled in grades Pre-K through 7. Current enrollment now extends from grades Pre-K through 10, and by 2009-10 the school will offer instruction in grades Pre-K through 12.

Part VIII, chapter 39A of the Hawaii Revised Statutes, which allows the State to issue Special Purpose Revenue Bonds for private school construction and renovation, makes feasible substantial school improvements that benefit our student body and our community. The authorization of this Special Purpose Revenue Bond will allow Island Pacific Academy to fund campus projects, while minimizing our reliance on the monetary contributions of our alumni, parents, and friends or other financial alternatives.

Island Pacific Academy asks for the issuance of a Special Purpose Revenue Bond in the amount of \$30,000,000 to finance the construction of an Athletic and Performing Arts Center at the school and to eliminate current interest rate risk on the remaining portion of our original bank loan. This bond authorization follows issuance by IPA of a \$20,000,000 Special Purpose Revenue Bond, purchased in its entirety by Nuveen, an investment firm headquartered in Chicago. Nuveen has placed financial covenants on future borrowings thereby eliminating any possibility the school will take on more debt than it can service. As the school grows to full capacity, adding 11th and 12th grades in the next two years, its ability to service debt will increase due to increased operating surpluses. Additionally, the school has actively cultivated individual, corporate and foundation donors to add to its capacity to service additional debt.

Once again, Island Pacific Academy strongly supports the passage of HB 2614.

Thank you for allowing me the opportunity to testify.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel E. White".

Daniel E. White
Headmaster