

January 28, 2008  
1:15 p.m.  
Conference Room 225

TESTIMONY TO  
THE SENATE COMMITTEE ON EDUCATION

RE: Senate Bills Relating to the Issuance of Special Purpose Revenue Bonds for Maui Preparatory Academy (SB2035), Relating to Island Pacific Academy (SB2364) and Relating to Education (SB2472)

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

My name is Robert Witt, executive director of the Hawaii Association of Independent Schools (HAIS). I am here today to testify in support of measures introduced by three of our member schools, each seeking approval for a Special Purpose Revenue Bond.

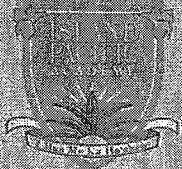
The Committee on Education of the Senate has supported similar measures in past years, and we are here to acknowledge and recognize the leadership and membership of this committee for its advocacy of the ongoing effort at HAIS to encourage its member schools to use Special Purpose Revenue Bonds as an essential strategy for leveraging urgently needed capital funds for campus development projects.

Private schools in Hawaii serve everyday families from all walks of life. Many students attending private school receive financial aid to defray the cost of tuition. It is our steadfast belief that private schools serve an important public purpose here in Hawaii by helping to prepare the next generation of young people to become well-educated, purposeful, and engaged citizens willing to contribute to the greater good.

Special Purpose Revenue Bonds do not divert funds away from public schools.

For these reasons, and others that might be addressed during discussion of these measures today, HAIS strongly supports approval of Special Purpose Revenue Bonds for the three schools present at today's hearing.

Thank you for the opportunity to testify.



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January 25, 2008  
1:15 p.m.  
Conference Room 225

TESTIMONY TO  
THE SENATE COMMITTEE ON EDUCATION

**RE: SB 2364 – Relating to the Issuance of Special Purpose Revenue Bonds for  
Island Pacific Academy**

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 Senate Bill 2364.

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 11<sup>th</sup> and 12<sup>th</sup> 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 SB 2364.

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