

LATE TESTIMONY
WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2472

January 28, 2008

RELATING TO EDUCATION.

Senate Bill No. 2472 authorizes the issuance of up to \$15,000,000 in special purpose revenue bonds to assist Mohala Pua School, dba Honolulu Waldorf School, to finance the planning, construction, and improvement of its educational facilities in the State of Hawaii pursuant to Part VIII, Chapter 39A, Hawaii Revised Statutes.

The Department has a technical comment on this bill. Under Chapter 39A-257, Hawaii Revised Statutes, bonds issued may be for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of one, or the combined authority of more than one, separate act of the legislature. We recommend adding the following new section to the bill to allow Mohala Pua School, dba Honolulu Waldorf School to take advantage of economies of scale achievable by consolidating small bond issues into a single large transaction:

SECTION ____ . The special purpose revenue bonds issued under this Act may be issued in one or more series for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of this Act or the combined authority of this Act and any one or more other separate acts of the legislature pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, and the department of budget and finance may

combine into a single issue of special purpose revenue bonds, in one or more series, two or more proposed issues of special purpose revenue bonds to be issued pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, separately authorized, in the total amount not to exceed the aggregate of the proposed separate issues of special purpose revenue bonds.