



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
January 29, 2009 at 2:00pm

by
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HB 123 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Chang, Vice Chair Nakashima and Members of the Committee:

Thank you for the opportunity to testify in strong support of this measure.

The purpose of this bill is to amend Act 161, Session Laws of Hawaii 2007, to increase the authorization to issue revenue bonds in total principal amount not to exceed \$250,000,000 for the purpose of financing the acquisition, construction, renovation and major repairs of facilities, and to extend the expiration date for the initial \$100,000,000 authority.

The University is in the process of issuing the \$100 million of revenue bonds granted under Act 161. We have been working with the bond underwriter, bond counsel, the State Department of Budget and Finance and the State Department of Attorney General on the issuance. The current financing schedule we have jointly agreed to and are following results in the issuance of the bonds on March 31. The extension of the expiration date for the initial \$100 million authority will allow sufficient time to encumber and expend those funds after the bonds are issued.

The additional bond issuance authorization is necessary to enable the University to more quickly address its growing facility needs and major repair and maintenance requirements. The projects listed in HB 123 have been approved by the Board of Regents as university projects for which the revenue bond proceeds may be used. These projects total an estimated \$202 million in costs. Accordingly, the Board of Regents directed University administration to request additional authorization from the Legislature of \$150 million to allow the University to pursue opportunities and needs which may arise between legislative sessions.

Let me take this opportunity to thank you for providing us the initial \$100 million of authority, which will allow us to address some critical needs of the University, while at the same time helping us to stimulate the economy by generating work which otherwise would have required waiting until after the Legislative session at least, to begin the bond issuance process. We now ask for your support in extending the expiration date of the initial authorization and providing us with additional authority.

Thank you for your support of the University of Hawaii.