

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 2816

FEBRUARY 6, 2012

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR LE JARDIN ACADEMY

House Bill No. 2816 authorizes the issuance of special purpose revenue bonds to assist the Le Jardin Academy, a private not-for-profit elementary and secondary school, in financing and refinancing the construction, improvement and equipping of its educational facilities pursuant to Part VIII, Chapter 39A, Hawaii Revised Statutes (HRS).

The Department has a technical comment on this bill. Under Section 39A-257, HRS, bonds may be issued 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 section to the bill to allow Le Jardin Academy additional flexibility to take advantage of economies of scale achievable by consolidating small bond issues into a single large transaction with potential multiple-project parties as provided under Section 39A-257, HRS:

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 the 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 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.

Thank you for the opportunity to provide testimony on this measure.



February 6, 2012
2:05 p.m.
Conference Room 309

TESTIMONY TO
THE HOUSE COMMITTEE ON EDUCATION

RE: HB 2816 – RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS FOR LE JARDIN ACADEMY.

Chair Takumi, Vice Chair Belatti, and Members of the Committee,

My name is Robert Witt, executive director of the Hawaii Association of Independent Schools (HAIS), which represents 99 private and independent schools in Hawaii and educates over 33,000 students statewide.

HAIS is in strong support of this measure, introduced by one of our member schools, Le Jardin Academy. HB 2816 authorizes the issuance of special purpose revenue bonds for Le Jardin Academy for the construction, improvement, and equipping of its educational facilities.

The legislature deemed, and voters reinforced, that the issuance of special purpose revenue bonds to private schools is in the public interest. Private schools in Hawaii serve everyday families from all walks of life. Many of our students are the beneficiaries of robust financial aid programs that defray the cost of tuition and more importantly, broaden our reach. For the last decade, private schools have judiciously utilized special purpose revenue bonds as a financing tool to leverage capital funds for campus development and improvement projects. Special purpose revenue bonds do not divert funds from the public school system and this arrangement has generated many millions of dollars in construction on campuses large and small across the state.

Thank you for the opportunity to **strongly support HB 2816** and the good work and mission of Le Jardin Academy.

belatti2 - Kate

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 03, 2012 1:11 PM
To: EDNtestimony
Cc: debrab@financefactors.com
Subject: Testimony for HB2816 on 2/6/2012 2:05:00 PM

Testimony for EDN 2/6/2012 2:05:00 PM HB2816

Conference room: 309
Testifier position: Oppose
Testifier will be present: No
Submitted by: Debra Bringman
Organization: Individual
E-mail: debrab@financefactors.com
Submitted on: 2/3/2012

Comments:

Debra Bringman: I am not against private schools, I just have a problem with Hawaii State taxpayers funding them. In the beginning of the bill, it states the Act is in the public interest and for the public health, safety and general welfare. Most of the general public cannot afford to send their kids to private school, so I have a hard time understanding how this is in the best interest of the public. If we cannot maintain our public schools, I don't see how we can fund construction projects for private schools. I received the following e-mail yesterday from my sister-in-law, and with her permission I am sharing a small portion of her e-mail with you regarding the poor shape of the Kapolei public schools. This really concerns me, and I don't even live in that area.

A portion of my sister-in-law's e-mail dated 2/2/12: By the way, I just finished a Rotary meeting this morning, my usual round around the schools & checkpoint here in our district. We have serious issues, KC's school's bathroom next to the cafeteria & seems to be always closed because the UPW told the school that they cannot assign a public worker & there to open the bathroom because of the "furlough". In addition, this particular bathroom and others had & no toilet paper and no soap to wash student's hands. One last thing, KC also mentioned these bathroom's doors & were not secured, meant you literally have to hold those bathroom doors while peeing because the locks were broke. & Here's what I did, I spoke to KC's school Assistant Principal and mentioned this bathroom issue. & Just so you know, both Kapolei Middle and Kapolei High School have the same issue of bathrooms next to cafeteria & must be closed instructed by the UPW. & I hope they will fix it within a week....I hope so.

Debra Bringman: We have to do something about the repair and maintenance of our public schools before using precious Hawaii state taxpayer funds to fund schools that most of us can't afford to send our kids to. That would be in the best interest, health, safety, and welfare of the general public.

belatti2 - Kate

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 03, 2012 4:45 PM
To: EDNtestimony
Cc: marian243@hawaiiantel.net
Subject: Testimony for HB2816 on 2/6/2012 2:05:00 PM

Testimony for EDN 2/6/2012 2:05:00 PM HB2816

Conference room: 309
Testifier position: Oppose
Testifier will be present: No
Submitted by: Marian Grey
Organization: Individual
E-mail: marian243@hawaiiantel.net
Submitted on: 2/3/2012

Comments:

I oppose using State supported bonds for a private institution. If this is a worthwhile project, private sector money should be available to fund their project.