

SB2952

Le Jardin Academy; SPRB
EDU, WAM

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2952

FEBRUARY 6, 2012

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

Senate Bill No. 2952 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

1:35 p.m.

Conference Room 225

TESTIMONY TO
THE SENATE COMMITTEE ON EDUCATION

RE: SB 2952 – RELATING TO THE ISSUANCE OF
SPECIAL PURPOSE REVENUE BONDS FOR LE JARDIN ACADEMY.

Chair Tokuda, Vice Chair Kidani, 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. SB 2952 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 SB 2952** and the good work and mission of Le Jardin Academy.