



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 28, 2018 at 11:00 a.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i

HB 2005 HD1 – RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS

Chair Luke, Vice Chair Cullen, and members of the committee:

The University of the Hawai'i is in support of HB 2005 HD1, Relating to University of Hawaii Revenue Bonds, but respectfully requests an amendment.

The purpose of this bill is to authorize the University of Hawai'i (UH) to issue \$100,000,000 in revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects. An increase in the University's authority to issue revenue bonds is necessary to enable the University to continue addressing its capital facility needs, including new project construction and the major repair and maintenance backlog.

State financing support through General Obligation (GO) Bond appropriations is the primary method of funding infrastructure for the only public university of Hawai'i. However, the availability of revenue bond authority would supplement GO bonds and could be valuable as a strategic revenue source. This authority would only be used for financing projects that are revenue-generating or financially appropriate for the University.

We respectfully request that the provision for legislative approval through concurrent resolution found on lines 9 and 10 of page 2 be removed from this bill. Waiting for a concurrent resolution to pass both legislative chambers will significantly reduce the flexibility and timeliness of any bond issuance that UH may pursue. For example, UH conducted a revenue bond transaction in December of last year. The timetable for that transaction was accelerated by several weeks in response to federal tax changes that were passed in December. If UH had been forced to wait for legislative approval, that timetable would not have been able to have been accelerated which would have negatively impacted the bond sale at a cost to the University.

Thank you for this opportunity to testify.

Testimony Presented for the
House Committee on Finance
Wednesday, February 28, 2018, 11:00 A.M.

By Bernadette Baraquio

HB 2005 HD1 – RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS

Chair Luke, Vice Chair Cullen and members of the committee:

My name is Bernadette Baraquio, a proud alumna of the University of Hawai'i (UH) and Board President of the UH Alumni Association (UHAA), submitting testimony in **strong support** of HB 2005 HD1 to authorize the University of Hawai'i to issue \$100,000,000 in revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects

On behalf of UHAA, its leadership, and members, I am writing to thank you for your past commitment and service to our community, our state, and our university. Alumni believe that there is a significant need to modernize our university's facilities to 21st century standards. Modern learning spaces and facilities provide our students with contemporary and relevant environments for higher learning and research development consistent with other universities in the country. The UH Capital Improvement Projects (CIP) request addresses urgently necessary capital renewal, deferred maintenance, and funding for projects that will Renew, Improve, and Modernize (RIM) the UH campuses. Investment in this area will help with recruitment, retention of students, produce better graduates for our workforce, and enhance our commitment to excellence in education.

Thank you for the opportunity to submit testimony, and on behalf of UHAA, mahalo once again for your continuing support of our UH 'Ohana!

Warmest Aloha, Bernadette Baraquio, UH Alumni Association President

HB-2005-HD-1

Submitted on: 2/27/2018 10:31:10 AM

Testimony for FIN on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:



UNIVERSITY OF
HAWAI‘I
STUDENT CAUCUS

LATE

To: House Committee on Finance (FIN)
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

Date: Wednesday, February 28, 2018

Time: 11:00 AM

Place: Conference Room 308

Re: SUPPORTING HB 2005 HD 1 – RELATING TO UNIVERSITY OF HAWAI‘I REVENUE BONDS

Chair Sylvia Luke, Vice Chair Ty J.K. Cullen, and members of the committee:

My name is Jannah Lyn Dela Cruz, and I am the Chairperson of the UH Student Caucus, the UH system wide association of all campus student governments. We represent over 50,000 students in the University of Hawaii System. Our constituents **support House Bill 2005 HD 1** - that authorizes the University of Hawaii to issue revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects.

The UHSC recognizes the need to address the University’s deferred maintenance backlog. While the UHSC is not supportive of increasing costs of tuition, we aim to support other financial means that will help our University continue to enhance and improve. To allow for the University to have access to revenue bonds to use on capital improvement projects in the deferred maintenance backlog, will enable our University the opportunity to catch up in its efforts to provide students safe, effective, and sustainable learning and living environments. UH students use many campus facilities and notice and experience the changes that the University is doing for the physical environment. Capital improvement projects in the deferred maintenance backlog need the support to be completed, so that our current and prospective students can use facilities that provide the learning environment that match the University’s high academic standards. The safety, sustainability, and standard of a learning environment is important to the quality of the education that we, as students, pay for and care about, and is important to the overall campus life in which we live in.

Thank you for the opportunity to submit testimony.

Respectfully submitted,

Jannah Lyn Dela Cruz
Chairperson
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