



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
March 15, 2018 at 1:20 p.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 Kahele, Vice Chair Kim, and members of the committee:

The University of the Hawai'i (UH) 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 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.

**HB-2005-HD-1**

Submitted on: 3/14/2018 12:37:23 PM

Testimony for HRE on 3/15/2018 1:20:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

Testimony Presented for the  
Senate Committee on Higher Education  
Thursday, March 15, 2018, 1:20 P.M.

By Bernadette Baraquio, President, University of Hawai'i Alumni Association

HB 2005 HD1– RELATING TO UNIVERSITY OF HAWAI'I REVENUE BONDS

Chair Kahele, Vice Chair Kim 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 that authorizes the University of Hawai'i to issue 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