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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 533

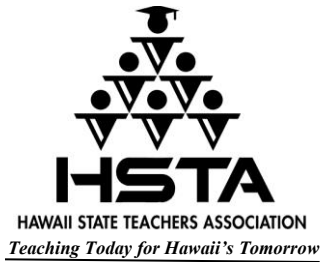
**February 16, 2021
2:00 P.M.
Via Videoconference**

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST LE JARDIN ACADEMY, INC.

The Department of Budget and Finance offers the following comments on House Bill No. 533 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist the Le Jardin Academy, Inc., a Hawaii nonprofit corporation, with the planning, designing, constructing, reconstructing, renovating, acquiring, equipping, and improving educational facilities pursuant to Part VIII, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
EDUCATION

RE: HB533 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST LE JARDIN ACADEMY, INC

TUESDAY, FEBRUARY 16, 2021

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Woodson, and Members of the Committee

The Hawaii State Teachers Association **opposes HB533.**

HB533 would issue special purpose revenue bonds in a total amount not to exceed \$25,000,000, for the purpose of assisting Le Jardin Academy.

Public money should not be used for private institutions. The Hawaii DOE already does not have enough funding each year in order to meet its own needs. The DOE commissioned Jacob's study estimated that the total price tag for "top priority" projects, such as additional classroom space to account for overcrowding or basic repair and maintenance to make schools safer, is \$7 billion, and that figure would rise to \$11 billion when accounting for all levels of priorities.

In 2019 the DOE requested \$783 million for CIP projects and the legislature approved \$281 million.

For the next two years the Governor has only requested \$150 million per year for CIP projects for the DOE, which will not keep up with the huge demand.

This bill if it were to pass would setup a dangerous precedent of funding private school facilities, and therefore HSTA asks you to oppose this bill.

HSTA is including pictures of our current facilities at our public schools as a reference.



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