



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Higher Education
March 18, 2025 at 3:00 p.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer

University of Hawai'i System

and

Jan Gouveia

Vice President for Administration

University of Hawai'i System

HB 1168 HD1 – RELATING TO THE UNIVERSITY OF HAWAII REVENUE BONDS

Chair Kim, Vice Chair Kidani, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (University or UH) supports HB 1168 HD1, Relating to the University of Hawaii Revenue Bonds. This bill grants the University Board of Regents (BOR) to issue revenue bonds for the purpose of financing capital improvement projects until June 30, 2030.

Securing pre-authorization gives the University flexibility to plan to utilize revenue bonds for future projects that may arise, where this financing method proves advantageous. One such area is student housing at the UH-Mānoa campus, where significant repairs and renovations have been identified with estimated costs being substantial.

The University 6-Year Capital Improvement Project Plan for Fiscal Years 2026-2031, approved by BOR in November 2024, identified revenue bonds as a potential source of funding for up to twenty-five percent (25%) of UH-Mānoa student housing capital projects which are estimated at approximately \$362 million in 2024 dollars. Similarly, the biennial budget bill (HB 300 HD1) passed by the House includes \$30.8 million for Fiscal Year 26 and \$28.5 million for Fiscal Year 27 in State General Obligation Bonds and the same amount in UH Revenue Bonds—a fifty-percent (50%) match that would fully fund the University Fiscal Biennium (FB) 25-27 CIP Budget request for student housing at UH-Mānoa.

Failing to secure full funding support for UH-Mānoa student housing in FB25-27 and beyond, irrespective of funding source, will delay critical improvements to the building envelopes, infrastructure and interiors and may lead to a loss in revenue beds if a building must be taken out of service.

Should there be projects for revenue bonds in the future, related to UH-Mānoa student housing or other areas, the University would require budget appropriation by the Legislature and approval by the BOR and Governor. The definitive exact scope, the appropriate amount of bonds, the overall cost of the project(s), and the totality of funding would be confirmed before requests for individual projects are submitted for approval.

Thank you for this opportunity to testify.