



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by

Howard Todo

Vice President for Budget & Finance/CFO, University of Hawai'i

SB1674 SD2 HD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Oshiro, Vice Chair Lee and Members of the Committee:

Thank you for the opportunity to testify in support of this measure.

This bill is generally the same as HB 123 which your committee passed previously in this session.

This bill amends Act 161, Session Laws of Hawaii 2007, to increase the authorization to issue revenue bonds to a total principal amount not to exceed \$250,000,000 for the purpose of financing the acquisition, construction, renovation and major repairs of facilities, and to extend the expiration date for the initial \$100,000,000 authority.

We are happy to report that the University, on March 31, successfully concluded the sale of the \$100 million of revenue bonds granted under Act 161, with closing scheduled for April 15. The extension of the expiration date for the initial \$100 million authority will allow sufficient time to encumber and expend these funds.

The additional \$150 million bond issuance authorization is necessary to enable the University to more quickly address its growing facility needs and major repair and maintenance requirements. The current projects that have been approved by the Board of Regents as university projects for which the revenue bond proceeds may be used total an estimated \$202 million in costs. Accordingly, the Board of Regents directed University administration to request additional authorization from the Legislature of \$150 million to allow the University to pursue opportunities and needs which may arise between legislative sessions.

As a reminder, we would like to point out the current draft has an effective date of July 1, 2090. We ask that this be changed so the bill is effective upon its approval, so as to ensure that it is prior to the lapse date of Act 161, Session Laws of Hawaii 2007.

Also, the appropriation for the additional \$150 million is stated as being for fiscal year 2009-2010. We suggest the wording be revised to include fiscal year 2010-2011 so that it covers the biennium. This is merely a non-substantive technical amendment, since in either case, the bill extends the lapse date to June 30, 2015.

Let me take this opportunity to thank you for providing us the initial \$100 million of authority, which will allow us to address some critical needs of the University, while at the same time helping us to stimulate the economy by generating work which otherwise would have required waiting until after the Legislative session at least, to begin the bond issuance process. We now ask for your support in extending the expiration date of the initial authorization and providing us with additional authority.

Thank you for your support of the University of Hawaii.