



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by
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SB 2833 SD1 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 SB 2833 SD1 HD1, Relating to University of Hawai'i Revenue Bonds.

The purpose of this bill is to authorize the University of Hawai'i (University) to issue 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.

Out of deference to the House Committee on Finance process, the House Committee on Higher Education amended SB2833 SD1 by removing the specific dollar amount authorization of \$100 million. The University respectfully requests that the House Committee on Finance consider amending the bill by reinserting and authorizing an amount of \$100 million. Please note that this is a ceiling for the duration of the authority. While the University does not currently have plans to utilize the full amount, having this authorization "at the ready" will allow the University to pursue opportunities and meet capital needs should they arise in a timely manner. The University will only be able to issue revenue bonds to the extent that there are adequate future revenues to meet debt service requirements.

Thank you for this opportunity to testify.