



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education & Technology
February 11, 2022 at 2:00 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawaii'i

HB 2185 – RELATING TO UNIVERSITY OF HAWAII REVENUE BONDS

Chair Takayama, Vice Chair Clark, and members of the committee:

The University of the Hawaii'i (UH) supports HB 2185, Relating to University of Hawaii Revenue Bonds.

The purpose of this bill is to authorize UH to issue \$100,000,000 in revenue bonds for the purpose of financing the construction and maintenance of qualifying capital improvement projects. 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. It is important to note that HB 2185 only grants authority to issue up to that amount of revenue bonds. The University does not intend or plan to issue any revenue bonds for any specific projects at this time – as no projects are currently identified. Nor, can the University issue any revenue bonds until there are determined to be adequate revenues to support debt service. The purpose of this bill is merely to have the authority available and at the ready should the need for financing capital projects with revenue bonds present itself.

State financing support through General Obligation (GO) Bond appropriations is the primary method of funding infrastructure for the only public university of Hawaii'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.

Thank you for this opportunity to testify.