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January 30, 2008
2:00 p.m.
Conference Room 309

TESTIMONY TO
THE HOUSE COMMITTEE ON EDUCATION

RE: HB 2614 – Relating to Island Pacific Academy

Chair Takumi, Vice Chair Berg and Members of the Committee:

My name is Dan White. I am Headmaster at Island Pacific Academy (IPA). On behalf of the 630 students and 89 staff at Island Pacific Academy, I strongly support House Bill 2614.

Island Pacific Academy is the first and largest independent school located in west Oahu, one of the fastest growing regions in the state. When the school was founded in 2004, 191 students were enrolled in grades Pre-K through 7. Current enrollment now extends from grades Pre-K through 10, and by 2009-10 the school will offer instruction in grades Pre-K through 12.

Part VIII, chapter 39A of the Hawaii Revised Statutes, which allows the State to issue Special Purpose Revenue Bonds for private school construction and renovation, makes feasible substantial school improvements that benefit our student body and our community. The authorization of this Special Purpose Revenue Bond will allow Island Pacific Academy to fund campus projects, while minimizing our reliance on the monetary contributions of our alumni, parents, and friends or other financial alternatives.

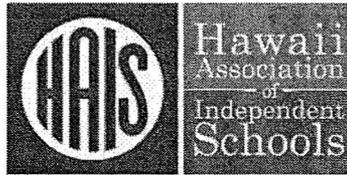
Island Pacific Academy asks for the issuance of a Special Purpose Revenue Bond in the amount of \$30,000,000 to finance the construction of an Athletic and Performing Arts Center at the school and to eliminate current interest rate risk on the remaining portion of our original bank loan. This bond authorization follows issuance by IPA of a \$20,000,000 Special Purpose Revenue Bond, purchased in its entirety by Nuveen, an investment firm headquartered in Chicago. Nuveen has placed financial covenants on future borrowings thereby eliminating any possibility the school will take on more debt than it can service. As the school grows to full capacity, adding 11th and 12th grades in the next two years, its ability to service debt will increase due to increased operating surpluses. Additionally, the school has actively cultivated individual, corporate and foundation donors to add to its capacity to service additional debt.

Once again, Island Pacific Academy strongly supports the passage of HB 2614.

Thank you for allowing me the opportunity to testify.

Respectfully submitted,

Daniel E. White
Headmaster



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TESTIMONY TO
THE HOUSE COMMITTEE ON EDUCATION

RE: House Bills Relating to the Issuance of Special Purpose Revenue Bonds for
Maui Preparatory Academy (HB2547) and
Relating to Island Pacific Academy (HB2614)

Dear Chair Takumi, Vice Chair Berg, and Members of the Committee:

My name is Robert Witt, executive director of the Hawaii Association of Independent Schools (HAIS). I am here today to testify in support of measures introduced by two of our member schools, Maui Preparatory Academy and Island Pacific Academy, both of which are seeking approval for Special Purpose Revenue Bonds.

The House Committee on Education has supported similar measures in years past, and we are here to acknowledge and recognize your advocacy and support of the ongoing effort by HAIS to encourage its member schools to use Special Purpose Revenue Bonds as an essential strategy for leveraging capital funds urgently needed for campus development and improvement projects.

Private schools in Hawaii serve everyday families from all walks of life. Many students attending private schools receive financial aid to defray the cost of tuition. It is our steadfast belief that private schools serve an important public purpose here in Hawaii by helping to prepare the next generation of young people to become well-educated, purposeful, and engaged citizens willing to contribute to the greater good.

In addition, Special Purpose Revenue Bonds do not in any way divert funds away from public schools.

For these reasons and others that may be addressed during discussion of these measures today, HAIS strongly supports HB 2547 and HB 2614 and the approval of issuance of Special Purpose Revenue Bonds for the two schools present at today's hearing.

Thank you for the opportunity to testify.