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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 3280

February 9, 2022

3:30 P.M.

Via Videoconference

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST SAINT JOSEPH SCHOOL.

The Department of Budget and Finance (the "Department") offers the following comments on Senate Bill No. 3280 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Saint Joseph School, a Hawaii nonprofit corporation, in planning, designing, constructing, reconstructing, renovating, acquiring, equipping, and improving educational facilities for Saint Joseph School pursuant to Part VIII, Chapter 39A, Hawaii Revised Statutes. The amount of the authorization is unspecified.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. Additionally, the Department would like to note that Senate Bill No. 2812 and House Bill No. 2019 specifies that the State's allocation of the bond ceiling cap and all returned bond ceiling cap from the counties, shall be entirely used for housing related projects. Should the legislation be approved, all SPRBs subject to the bond ceiling cap will be prohibited

from issuance by the Department for the next five years. Furthermore, House Bill No. 1829 specifies that the entire allocation of the state bond ceiling cap shall be used for housing related projects. Should the legislation be approved all SPRBs subject to the bond ceiling cap will be prohibited from issuance by the Department and counties for the next five years. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

SB-3280

Submitted on: 2/8/2022 2:20:26 PM

Testimony for EDU on 2/9/2022 3:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Matthew Eftink	Testifying for St. Joseph High School	Support	Yes

Comments:

I am the Head of School for St. Joseph in Hilo. I am joining to answer any questions if they should come up.

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Education

Testimony By
The Cardinal Legacy Foundation
February 9, 2022

SB 3280 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST SAINT JOSEPH SCHOOL

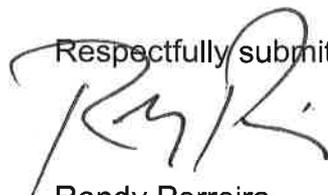
The Cardinal Legacy Foundation, on behalf of St. Joseph School in Hilo, HI appreciates the opportunity to testify in strong support of SB 3280 regarding the issuance of a special purpose revenue bond (SPRB) to assist our school.

St. Joseph's was founded in 1869 and is the only parochial school on the island of Hawaii. Faced with a declining student body and reduced revenues, a number of concerned alumni and parents working with the Catholic Diocese of Honolulu took steps to address our financial situation and put the school on a stronger financial path. The school has successfully increased enrollment and has undertaken a number of improvements to our physical plant to provide a stronger learning environment for our students and community.

It is our intention to use the proceeds of the SPRB to construct a multi-purpose gymnasium to replace our existing, outdated facility. This new facility would have an increased seating capacity and be designed for multipurpose use for both the school and community events. It is our hope and desire to offer our students and the Hilo community an enhanced facility which will have the additional impact of attracting more potential students to further boost our enrollment. The approval of a SPRB for this project will go a long way to making this a reality.

Your favorable consideration of SB 3280 is appreciated.

Respectfully submitted,



Randy Perreira
Board Member, Cardinal Legacy Foundation