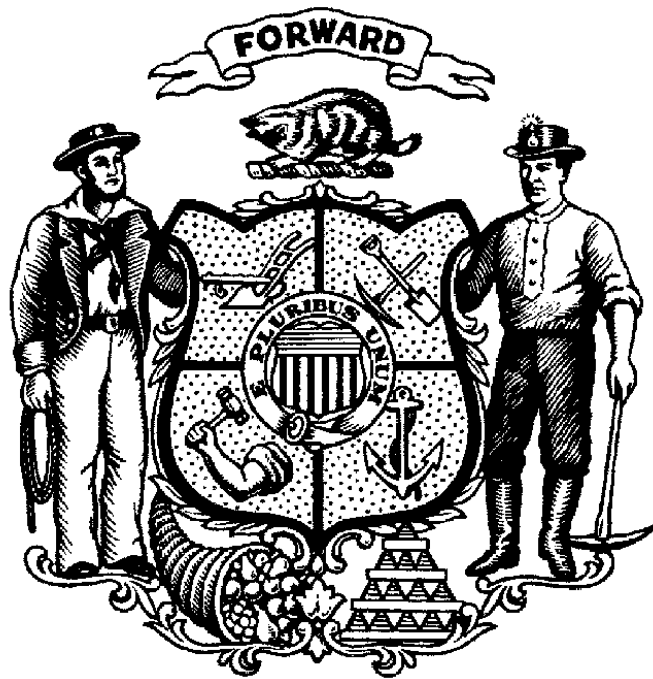


# State of Wisconsin

## Health and Educational Facilities Authority



Agency Budget Request  
2017 – 2019 Biennium  
September 15, 2016

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WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

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Dennis P. Reilly  
Executive Director

September 15, 2016

Michael G. Heifetz, Budget Director  
Department of Administration  
101 E Wilson, 10<sup>th</sup> Floor  
Madison, WI 53703

Dear Mr. Heifetz,

For over 37 years WHEFA has been quietly fulfilling its mission of assisting Wisconsin's non-profit institutions to obtain access to low-cost capital in order to finance or refinance their building and equipment improvements and expansion needs. Pursuant to Section 231.10 of the Wisconsin Statutes, bonds issued by WHEFA are not considered indebtedness of the State of Wisconsin, and the State has no obligation to repay any bonds issued by WHEFA under any circumstances. Additionally, WHEFA does not utilize any State moneys to fund its operations.

For the FY 2017-2019 biennial budget, at this time, WHEFA does not have any agency budget requests to be submitted for consideration.

We look forward to working with you in the future as WHEFA continues to promote economic development and job creation in Wisconsin while actively improving the overall quality of life for Wisconsin citizens.

Thank you very much.

Sincerely,



Dennis P. Reilly  
Executive Director



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## **AGENCY DESCRIPTION**

The Authority, created by the Legislature in 1973 (Chapter 231, Wisconsin Statutes), has been providing active capital financing assistance to Wisconsin non-profit health care institutions since 1979. In 1987, the Authority's charter was expanded to include the issuance of bonds for the benefit of independent colleges and universities and certain continuing care facilities. In 2004, the Authority's charter was further expanded to include the issuance of bonds for the benefit of private, non-profit elementary or secondary educational institutions. In 2009, the Authority's charter was again expanded to include the issuance of bonds for the benefit of non-profit research facilities. In 2013, WHEFA's charter was permanently expanded to include the issuance of bonds for the benefit of all Wisconsin 501(c)3 nonprofit organizations.

The Authority staff assists these institutions in analyzing financing alternatives and in structuring revenue bond issues to meet their needs. This financial advisory service is available to all eligible borrowers even if the Authority may not be the ultimate issuer for the financing. Funds for each project financed by the Authority are obtained through the sale of revenue bonds of the Authority. Bonds are sold to institutional lenders in "direct placement" transactions and to individual and institutional investors in "public offerings". Bond sale proceeds are loaned by the Authority to the borrowing institution or project sponsor. No state or other public funds are used.

The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. They are not a debt, liability, or "moral" obligation of the State of Wisconsin or any of its political subdivisions. The Authority has no taxing power.

The credit supporting any Authority bond issue is the credit of the borrowing institution involved. The availability of financing and its terms and conditions depends in each case upon the credit-worthiness of each borrower. In most cases, interest paid on Authority bonds is exempt from federal income taxation, resulting in materially lower financing costs to the borrowing institution. Interest on bonds issued by the Authority is not exempt from present Wisconsin income taxation with limited exception or unless such exemption is already available on bonds eligible to be issued for the same purpose through another Wisconsin authority.

The Authority is governed by a seven-member board of directors appointed by the Governor with advice and consent of the Senate for staggered seven-year terms. Members of the Authority must be residents of the state and not more than four may be members of the same political party.

# Agency Total by Fund Source

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY					BIENNIAL SUMMARY				
	Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
<b>Grand Total</b>										NaN

**Agency Total by Program**

**440 Health and Educational Facilities Authority**

**1719 Biennial Budget**

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
Agency Total										0.00%

# Agency Total by Decision Item

1719 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
TOTAL				

**Decision Item (DIN) - 2000**

**Decision Item (DIN) Title - Adjusted Base Funding Level**

**NARRATIVE**

Adjusted Base Funding Level