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## Expansion of Conduit Issuing Authority – Benefits for Minnesota Colleges & Universities

- Keep Authority charges as low as possible
  - Fixed costs spread over a larger base of outstanding bonds
    - Reduces total fixed charges allocable to all borrowers
  - Expanded base of outstanding bonds allows lower fees
    - Avoid rapid or unpredictable fee variations
  - Variable costs segregated between Higher Education and Healthcare
    - No cross subsidy between Healthcare and Higher Education
- Joint ventures/projects/financing options would be available to schools
  - Coordinated healthcare education program with healthcare facility
  - Joint program space – enhanced utilization, cost effectiveness
  - Increased program efficiency, more flexible space utilization and configuration
- Assure Authority can attract and retain highly qualified and motivated staff, enhancing Authority value to the entire State of Minnesota
- Continuing benefits to Minnesota
  - The Authority operates at no cost to the State of Minnesota
  - Authority receives no State or Federal Funds
  - Authority debt is not supported, guaranteed, or funded by the State of Minnesota

The Authority is a full-service conduit bond financing authority that receives no State of Minnesota financial support. The Authority is completely funded by fees charged to borrowers. Fees are substantially lower than allowed by the Internal Revenue Service and represent a solid value for borrowers.

*The bonds issued by the Authority for borrowers are not legal or moral obligations of the State of Minnesota or the Authority, nor do they constitute a debt for which the faith and credit of the Authority or the State, or the taxing powers of the State, are pledged. The Authority has no taxing powers.*