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The Minnesota Higher Education Facilities Authority (“Authority” or “MHEFA”) is subject to a limit on the amount of outstanding bonds it can have at any one time. Minnesota Statutes Section 136A.29, Subd. 9. Limits the outstanding bonds issued by the Authority to \$1.3 billion.

The calculation of outstanding bonds at the end of March 2024 and the remaining capacity is shown here:

Max of Bonds allowed	<u>\$1,300,000,000</u>
Outstanding at 3/2/2024	\$1,104,798,831
St Olaf - March 2024	\$25,000,000
St. Thomas - March 2024	\$94,440,000
St. Thomas - March 2024	\$50,000,000
St. Thomas - March 2024	<u>\$14,950,000</u>
Outstanding at 3/27/2024	<u>\$1,289,188,831</u>
Capacity at 3/27/2024	<u>\$10,811,169</u>

This capacity is not sufficient to accommodate pending financings in 2024 by Minnesota higher education institutions who have discussed their financing needs with the Authority. Without approval of the Authority’s legislation or at a minimum an increase in the Revenue Bonds limitation to \$4 billion, the Authority will be effectively stopped from performing its duties.

The Authority has operated since 1971 as a conduit bond issuer authorized by Minnesota Statutes to provide tax-exempt financing to nonprofit colleges and universities within the State of Minnesota for capital improvements, or renovation of existing facilities, or to refinance capital projects debt. 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.

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.