HIGHER EDUCATION FACILITIES AUTHORITY

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50TH ANNIVERSARY

Listing of Mailout Material
May 19, 2021

- Forwarding Letter
- Meeting Agenda

I. Review and approve minutes of the meeting of April 21, 2021

- Minutes of April 21, 2021

II. Hamline University Series 2021

- Hamline University Series 2021 Application (excluding exhibits)
- Application Review – North Slope Capital Advisors
- Application Memorandum – Fryberger
- Resolution Relating to Application - Fryberger

III. FY2021 Proposed Adjusted Budget

- FY2021 Proposed Adjusted Budget

IV. FY2021 Achievement Awards

- FY2021 Plan of Action Results
- FY2021 Achievement Award Resolution

V. FY2022 Administrative Items

- FY2022 Proposed Board Meeting Schedule
- FY2022 Proposed Plan of Action

VI. Old Business

VII. New Business

VIII. Other Business

- US Births Future Effect on Higher Education (Chronicle of Higher Education)
- April 2021 Budget vs Actual

IX. Executive Session

- Executive Director Annual Performance Review (to be provided separately)

MEMORANDUM

MINNESOTA
HIGHER EDUCATION
FACILITIES AUTHORITY

380 JACKSON STREET, SUITE 450, ST. PAUL, MN 55101

Main Phone: 651.296.4690 Fax: 651.297.5751

Date: 12 May 2021

To: Minnesota Higher Education Facilities Authority Board Members

From: Barry W. Fick, Executive Director

Subject: May 19, 2021 Authority Board Meeting Preview

Greetings to the Minnesota Higher Education Facilities Authority May 19, 2021 video and teleconference Board meeting. The focus of the May 2021 Board meeting will be the Application of Hamline University for re-financing the Series Seven-N2 Note and financing a pair of new money projects.

We will also review a proposed adjusted Fiscal Year 2021 Budget and the Fiscal Year 2021 Achievement Awards. We will consider some Fiscal Year 2022 administrative items and elect Board officers for the coming fiscal year.

Finally, we will have an Executive Session to review the job performance of the Executive Director.

We will use our video link system for this meeting. Instructions for accessing the video link are available in this email.

According to Executive Order issued by the Governor, endorsed and updated by MMB, we are working from home until at least June 30, 2021. We do make occasional visits to the office.

We look forward to your participation by video conferencing or telephone for the meeting.

HIGHER EDUCATION FACILITIES AUTHORITY
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Board Meeting Agenda

Wednesday, May 19, 2021
2:00 PM

Meeting to be held via electronic means due to pandemic emergency social distancing.
The public should utilize the call-in information provided below.
Individuals may request reasonable accommodation or modifications in order to participate in Authority programs by contacting the Authority at least 48 hours in advance of the event.

I. Review and approve minutes of the meeting of April 21, 2021

II. Hamline University

- Conduct Public Hearing
- Application Review – North Slope Capital Advisors
- Application Memorandum by Bond Counsel – Fryberger
- Resolution Relating to Application – Fryberger

III. FY2021 Proposed Adjusted Budget

IV. FY2021 Achievement Awards

V. FY2022 Administrative Items

- FY2022 Board Meeting Schedule
- FY2022 Board Officer Election
- FY2022 Proposed Plan of Action

VI. Old Business

VII. New Business

Meeting to be conducted via video conference – Board Members will receive a link to join the meeting

General Public may attend via call-in number: 1-877-978-6969 Access Code: 866-830-615#

VIII. Other Business

- Executive Director's Report

IX. Executive Session

- Executive Director Annual Performance Review

The Minnesota Higher Education Facilities Authority (the "Authority" or "MHEFA") convened a regular Board meeting at 2:00 pm Central Time, Wednesday, April 21, 2021.

Following Emergency Executive Order 20-01, dated March 13, 2020, Declaration of Peacetime Emergency by Governor Walz; Emergency Executive Order 20-20, dated March 25, 2020; and Emergency Executive Order 20-33, dated April 8, 2020 (the foregoing and other Emergency Executive Orders of the Governor relating to COVID-19, as may be amended or superseded, collectively, the "Emergency Orders"), members of the Authority participated in and attend the meeting by telephone or other electronic means in accordance with Minnesota Statutes, Section 13D.021.

Authority Chair Ranum determined that an in-person meeting at the regular meeting location for the Authority, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101, was not practical or prudent because of the health pandemic declared under the Emergency Orders and according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

Members of the public who plan to be present at the public hearing at the Authority's offices in person will be required to observe social distancing and comply with other measures imposed by the Emergency Orders.

The public were able to monitor the meeting by calling a toll-free number.

Board members participated in the meeting using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota's Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.021.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on April 21, 2021

Board Actions Taken:

Motions:	Result:	Vote:
Approval of Meeting Minutes of March 17, 2021	Passed	Unanimous
Motion to pay the legal bill for Covenant Compliance work related to COVID-19 issues affecting Authority Bonds legal structure	Passed	Unanimous

Resolutions	Result:	Vote:
Resolution Relating to Application from Saint John's University	Passed	Unanimous – one abstention
Resolution Relating to Financing Terms for Saint John's University	Passed	Unanimous – one abstention
Series Resolution for Saint John's University	Passed	Unanimous – one abstention
Resolution Regarding Authority Bylaw Updates	Passed	Unanimous

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending by video link ("V") or telephone ("T"):

Board Members:
Gary Benson - V
Mary Ives - V
Mark Misukanis - T
Michael Ranum - V
Bonnie Anderson Rons - V
David Rowland - V
Nancy Sampair - V
Poawit Yang – T
Ray Vin Zant - V

	Paul Cerkvenik, Minnesota Private College Council, ex officio w/o vote - V
Absent:	None
Other Attendees:	Richard Adamson, VP Finance and Admin., Saint John's University – V Jennifer Meyer, Investment Manager, Saint John's University – T Jeremy Scegura, Assistant Controller, Saint John's University - T Robert Toftey, Bond Counsel, Fryberger Law Firm - T Elizabeth Bergman, Baker Tilly Municipal Advisors, LLC – V
Also Present:	Barry W. Fick Executive Director MHEFA - V Amanda Lee, Operations Manager, MHEFA - V

Mike Ranum, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the March 17, 2021 Board meeting.

The first item on the Agenda is the review and consideration of the minutes of the March 17, 2021 Authority Board meeting.

A motion was made by Ray Vin Zant to approve the March 17, 2021 minutes. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes to the minutes of the March 17, 2021 Board meeting. Board Member Anderson Rons noted that the meeting start time was incorrect on the minutes. The correct starting time of the March 17, 2021 MHEFA Board meeting should be listed as 2:00 pm CT. There were no further questions or proposed changes to the minutes from Board members.

Chair Ranum called for a vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes

Bonnie Anderson Rons	Yes
David Rowland	Yes
Nancy Sampair	Yes
Ray Vin Zant	Yes
Poawit Yang	Yes

There were no votes against the motion and the Minutes (as amended) of the March 17, 2021 MHEFA Board meetings were approved.

Agenda Item II – Saint John's University Application for Financing

Chair Ranum opened the Public Hearing for Saint John's University. Executive Director Fick noted that Notice for the Saint John's Public Hearing was published in the Saint Cloud Times and on the Authority's Website in a timely manner and that there were no comments received by the Authority prior to the Public Hearing.

Chair Ranum called on Mr. Richard Adamson, Vice President for Finance and Administration at Saint John's University and Ms. Jennifer Meyer, Investment Manager at Saint John's University to present the financing request of the University. Mr. Adamson began by introducing himself and noted that he was accompanied by two other Saint John's University staff who are involved in the financing. They are Ms. Jennifer Mayer, Investment Manager and Mr. Jeremy Scegura, Assistant Controller.

Mr. Adamson outlined the purpose of the financing and noted that some of the projects to be financed have been under consideration since late 2019 but deferred until the effect of COVID-19 pandemic on the university could be understood. He noted the university has coped successfully with the pandemic and the Board has approved moving forward with the projects. The projects to be funded with bond proceeds include:

1. the acquisition, construction and equipping of a new 96-bed townhouse style student residence facility and demolition of the University's current Seton Residence Hall;
2. renovation and upgrades to Peter Engel Science Center;
3. renovation of the first floor and third floor of Wimmer Hall;
4. construction of a pedestrian bridge connecting the lower campus and upper campus across Stumpf Lake;

5. capital improvement and renovation projects, including a student center (Sexton Commons) and student residence facilities (Saint Thomas Aquinas Hall and Saint Mary Hall) (along with items (1) (2) (3) and (4) above, is the “Project”); and
6. pay certain issuance costs.

Mr. Adamson discussed the effect of COVID-19 on the Saint John’s community and presented a graph showing the number of cases among students, staff, and faculty. He noted that the university successfully managed the pandemic and had low numbers of cases overall, with a minimal number of increases or spikes of cases.

Mr. Adamson reviewed the financial performance of the University in light of the pandemic for the Board. He also discussed enrollment, investment performance, gifts, and contributions. He noted that the assistance of the federal government aid has been very helpful. He concluded by noting that Saint John’s has successfully dealt with COVID-19 and plans to remain vigilant against COVID-19 going forward.

Chair Ranum asked if there were questions from Board members. Gary Benson asked if Seton hall has to be torn down to make room for the new residence hall and how that will affect bed space. Mr. Adamson replied that it will need to be torn down, but they have additional bed space in a few other buildings. Mary Ives clarified that the Science Building is already completed and asked if that meant that Saint John’s is seeking reimbursement for that project. Mr. Adamson replied that yes, the Science Building renovation is complete and that this portion is a reimbursement. Nancy Sampair asked whether Saint John’s is in a capital campaign. Mr. Adamson responded that they are in a silent phase of a capital campaign. Nancy Sampair asked when there will be a public announcement of the campaign. Mr. Adamson replied that it will likely be within the next year, but their fundraising efforts are very focused on growing their endowment currently. Nancy Sampair asked what the University’s plan and strategy for online and virtual courses is moving forward. Mr. Adamson replied that they see Saint John’s University as a residential, face-to-face institution. However, faculty and students have become more accustomed to the technology, so it’s possible that some changes may remain once the University returns to a normal 3-4 course at a time, face-to-face schedule in the fall.

Chair Ranum asked if Board members had any additional questions for Mr. Adamson. There were no other questions.

Mr. Ranum closed the public hearing and asked Ms. Elizabeth Bergman, Director at Baker Tilly Municipal Advisors to provide the Board with an analysis of the financial effect of the application by the University. Ms. Bergman reviewed the Application Analysis prepared by Baker Tilly. She referred Board members to the Application analysis and noted that there is no debt service reserve, and there is a negative pledge on two of the buildings. She noted that these buildings cannot be used as collateral for any other financing, and that is the reason for the negative pledge.

Ms. Bergman noted that in the professional opinion of Baker Tilly Municipal Advisors the projects appear fiscally feasible and a bond with adequate security can be structured.

Ms. Bergman concluded her presentation and asked if Board members had questions. There were no questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the Saint John's financing, to review Bond Counsel's Application Memorandum. Mr. Toftey directed the Board's attention to the Application of Saint John's for MHEFA Financing Memorandum, dated April 14, 2021. Mr. Toftey noted that the memo represents Bond Counsel's findings from their review of the Saint John's Application for financing. It also notes that certain items are missing and need to be provided prior to issuing the bonds. It reviews representations made by Saint John's in their Application and discusses IRS limitations on tax-exempt financed projects, noting how those limitations might affect the Saint John's Project.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. Chair Ranum asked for clarification on the relationship of land ownership between the Abbey and the University. Mr. Toftey explained that the University owns the land and has a 50-year lease with 5-year renewal periods with the Abbey. There is an agreement with the order that they won't terminate the lease during the period of which financings on the buildings are outstanding. Wimmer Hall is owned by the Abbey, and portions of the building are leased to the university. There were no other questions from Board members.

Mr. Ranum then asked Mr. Robert Toftey to review the Resolution Relating to the Application of Saint John's University. Mr. Toftey reviewed the resolution, after which there were no questions from the Board.

A motion was made by Gary Benson to approve and accept the Resolution Relating to Application of Saint John's University. The motion was seconded by Mary Ives. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Resolution Relating to Application of Saint John's University.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to Application and Financing Terms for Saint John's University. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Abstain*
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Ray Vin Zant	Yes
	Powait Yang	Yes

* Mr. Ranum abstained to avoid a perception of a conflict of interest. His prior employer is the architect of record for components of the projects subject to the bond financing.

There were no votes against the motion and the Resolution Relating to Application of Saint John's University was approved.

Chair Ranum asked Ms. Elizabeth Bergman, Director of Baker Tilly Municipal Advisors, to provide the Board with an outline of the Preliminary Finance Plan for the Series 2021 Bonds for Saint John's University. Ms. Bergman reviewed the Preliminary Finance Plan prepared by Baker Tilly.

Ms. Bergman reviewed the structure of the Series 2021 Bonds. She noted that the debt service for the Series 2021 Bonds is subject to change based on actual rates received at the sale. She noted that there is a two-year interest only period to allow completion of construction and revenue from the replacement and new beds to be generated to help fund debt service. The size of the bond issue will not exceed $25 million. The university has applied for rating on the bonds from Moody's Investors Service. The bonds will pay principal annually on October 1, beginning October 1, 2023 and final principal is scheduled for October 1, 2040. Interest will be paid semi-annually on April 1 and October 1, beginning October 1, 2021. There is no capitalized interest. The bonds are not subject to any financial covenants. The bonds are expected to be subject to redemption on October 1, 2030 and after.

Ms. Bergman noted that there is no debt service reserve associated with the bonds and there is no mortgage on university property for the Bonds. The university is not subject to any financial covenants on the Series 2021 Bonds but is subject to financial covenants on the Series Eight-H Bonds; and the Series Eight-I Bonds that relate to the University's debt and which may be affected by the issuance of additional debt. The University is in compliance with those covenants and will be in compliance with those covenants upon issuing the Bonds. The Series Eight-H and Series Eight-I Bond covenants will expire upon final maturity of the respective bonds.

Ms. Bergman reviewed the preliminary debt service for the Series 2021 Bonds shown on Exhibit A of the Preliminary Finance Plan. She discussed Exhibit B with the Board, noting that it shows all outstanding long-term debt of the University.

Ms. Bergman noted that the Moody's Credit Rating of A2, Stable Outlook was assigned to the outstanding debt of the University in September 2020. A meeting will be held with Moody's on April 27, 2021 for the purpose of obtaining a rating for the Series 2021 Bonds. Moody's indicated that since the Series 2021 Bonds were considered in the assignment of the rating in September 2020 and no adverse financial information has been presented since then, they do not anticipate a change in the credit rating for the Series 2021 Bonds. This would be an affirmation of the current Moody's credit rating on the long-term debt of the university.

Ms. Bergman concluded her presentation and asked if Board members had questions. There were no questions from Board members.

Mr. Ranum next asked Mr. Robert Toftey, Esq. from the Fryberger law firm, serving as bond counsel for the Saint John's financing, to review Bond Counsel's Resolution Relating to Financing Terms for Saint John's University, dated April 14, 2021. Mr. Toftey outlined the components of the Resolution Relating to Financing Terms for Saint John's University.

Mr. Toftey noted that the Resolution reviewed, recited, and affirms the actions taken previously by the Board and finance professionals related to the Saint John's Financing Application. The Resolution further authorizes the preparation and distribution of an Official Statement. The Resolution outlines the parameters that the final bond issue must meet, including a not to exceed size and a not to exceed true interest cost. The Resolution notes that the Project and the issuance of revenue bonds appears feasible. The Resolution also notes that the Authority's municipal advisor has also reviewed the Application and the recommendation of the municipal advisor is approved by the

Resolution. Based on the recommendation of the municipal advisor and bond counsel, the Authority is authorized to proceed with the final documentation for the Series 2021 Bonds and direct preparation of final documents necessary to market and sell the Series 2021 Bonds.

Mr. Toftey concluded his presentation and asked if there were questions from Board members. There were no questions from Board members.

A motion was made by Bonnie Anderson Rons to approve and accept the Resolution Relating to Financing Terms for Saint John's University. The motion was seconded by Ray Vin Zant. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions for Mr. Toftey related to the Resolution Relating to Financing Terms for Saint John's University.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution Relating to Financing Terms for Saint John's University. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Abstain
	David Rowland	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Ray Vin Zant	Yes
	Powait Yang	Yes

There were no votes against the motion and the Resolution Relating to Financing Terms for Saint John's University was approved.

Mr. Ranum then asked Mr. Toftey to review the Series Resolution Relating to the Minnesota Higher Education Facilities Authority Refunding and Revenue Bonds, Series 2021 (Saint John's University).

Mr. Toftey directed the Board's attention to the Series Resolution included in the Board information packet. The Resolution includes 12 findings, which Mr. Toftey summarized for the Board. The Series Resolution terms recite the description of the project and the public actions taken to issue the bonds. It outlines the parameters within which the Bonds must be sold for and describes the bond documents applicable to the Bonds. The Series Resolution instructs the Authority and its advisors to undertake and complete all steps necessary or convenient to carry out the terms and provisions of the bond documents and requires no additional resolution by the Authority.

This concluded Bond Counsel's discussion of the Resolution. Mr. Ranum asked if there were questions related to the Resolution from Board members. There were none.

A motion was made by David Rowland to approve and accept the Series Resolution. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes for Mr. Toftey regarding the Resolution. There were no other questions related to the Series Resolution of Saint John's University.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Series Resolution. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Abstain
	Bonnie Anderson Rons	Yes
	David Rowland	Yes
	Nancy Sampair	Yes
	Ray Vin Zant	Yes
	Poawit Yang	Yes

There were no votes against the motion and the Series Resolution was approved.

Executive Director, Barry Fick, clarified that often the Authority holds two separate meetings for the application and financing plan, however because this financing has previously been submitted to the Authority and to reduce the risk of exposure to rising interest rates, the process for Saint John's was done in one meeting. The Authority will ask for the Governor to sign the resolution and return within a short time to stay on the schedule desired by the University.

Chair Ranum allowed the University and other financing team members participating in the Public Hearing and the Application Review process to leave the meeting if they would like. All meeting participants except for Board Members left the meeting.

Board Member, David Rowland, excused himself from the meeting as well at 3:15 pm due to another commitment.

Agenda Item III – Old Business – Bylaw Update

Chair Ranum asked Operations Manager Amanda Lee to discuss and outline the Resolution included in the packet that relates to the Board Bylaws.

Amanda reviewed the changes to the Bylaws, noting they implement the previously approved changes to Rules of Operation. In addition, as Mark Misukanis noted during the March meeting, Article IV, Section 6, it states that the yeas and nays need not be recorded in meeting minutes. A brief discussion by the Board in March agreed that this language should be updated, as current practice is to use roll call votes instead of voice votes, and yeas and nays are recorded in the minutes. The Authority has drafted new language for that piece to be approved in the resolution to amend the bylaws at this Authority meeting.

Ms. Lee noted that unlike the Motion which could amend Rules of Operation, the bylaws need to be changed through a Resolution process. The Resolution now before the Board reflects the changes.

Mr. Ranum asked if there were other questions related to the Resolution from Board members. Bonnie Anderson Rons brought forth a discussion around timing of motions to amend Authority bylaws that was entertained by the Board, after which the Board concluded that the language included in the Bylaws and Resolution as presented was satisfactory.

A motion was made by Mary Ives to approve and accept the Resolution accepting the Authority Bylaw Updates. The motion was seconded by Nancy Sampair. Chair Ranum asked if there were any questions, discussion, or changes regarding the Resolution. There were no other questions or changes related to the Resolution accepting Authority Bylaw Updates.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Resolution accepting Authority Bylaw Updates. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Ray Vin Zant	Yes
	Poawit Yang	Yes

There were no votes against the Resolution and the Resolution accepting Authority Bylaw Updates was approved.

There was no further old business for consideration or action by the Authority Board.

Agenda Item IV – New Business

Chair Ranum asked Mr. Fick if there was any New Business to be addressed by the Board. Mr. Fick responded that the adverse financial effects of COVID-19 on colleges and universities has resulted in a number of them being challenged in compliance with Authority mandated financial covenants. This issue first arose with Bethel University, but will be an issue for many of its other schools as well. An opinion was drafted by McGrann Shea to explain to Bethel's auditors that Bethel was not out of compliance or in default because COVID-19 should fall under the force majeure clause included in all of the Authority's bonds. This opinion can be applied to all of our schools, not just Bethel. Mr. Fick requests that the Board fund a portion of the legal fees incurred by McGrann Shea for their work on the Bethel issue, with the balance of the legal fee to be paid by Bethel.

After discussion between board members, Nancy Sampair introduced a motion to have the Authority pay the entire legal expense instead of having Bethel University absorb some of this expense since the work product and analysis is applicable to virtually all of the Authority's borrower schools in this position. She also included that the Authority should draft a letter with the opinion included to all of the Authority's schools. Gary Benson added his support, indicating that if the Authority is proactive in this way, it will prevent other schools from facing the same fate and potentially hiring their own legal counsel to address the issue when they do not need to incur this expense. Paul Cerkvenik expressed his appreciation to the board for looking at the common good of all of the schools. Chair Ranum suggested that Paul Cerkvenik should also help notify the schools of this legal opinion and possibility that auditors may need this opinion to avoid the same hurdles experienced by Bethel.

This concluded discussion of the matter and the proposed motion. Mr. Ranum asked if there were questions related to the proposed motion from Board members. There were none.

A motion was made by Nancy Sampair for MHEFA to pay the legal costs related to the review of Authority Financial Covenant Compliance Waivers due to force majeure exception and the COVID-19 Pandemic. The Motion was seconded by Ray Vin Zant. Chair Ranum asked if there were any questions, discussion, or changes regarding the Motion. There were no other questions.

Chair Ranum called for a Roll Call vote regarding the approval and acceptance of the Motion. A Roll Call vote was conducted, and the Board members voted as follows:

Board Members:	Gary Benson	Yes
	Mary Ives	Yes
	Mark Misukanis	Yes
	Michael Ranum	Yes
	Bonnie Anderson Rons	Yes
	Nancy Sampair	Yes
	Ray Vin Zant	Yes
	Poawit Yang	Yes

There were no votes against the motion and the Motion to pay the legal services invoice was approved.

Chair Ranum asked if there were any other New Business items from Board members for discussion. There were no New Business items from Board members for discussion.

Board Member, Ray Vin Zant, excused himself from the meeting at 3:30 pm due to another commitment.

Agenda Item V – Other Business

Chair Ranum called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

Legislative Update

While our legislation has unanimously passed through the Senate Higher Education committee and referred to the Health Committee, as we noted in March, due to COVID restrictions, it appeared that our legislation would not be considered this session. Senator Carla Nelson has devised an option to move our legislation forward. We are working diligently to obtain the requested information to allow the legislation to move forward this legislative session.

If our legislation is not considered this session, we are working with our legislative consultants and have developed a plan to work with legislative staff and legislators over the balance of 2021 to educate more legislators on our proposal, as well as obtain additional sponsors for the legislation. We plan to revive the legislation for the 2022 legislative session.

Borrower Application Update

- Hamline University is working with US Bank on extension of an existing bank placement and modifying the terms to expand the placement amount borrowed. We anticipate submission by Hamline of a financing Application by early May.

Building Lease Update

Preparation of the building for conversion to residential use continues. Our water supply has been restored. Our neighbors to the east of our offices are leaving their space. Fewer than ½ dozen entities currently maintain space in the building.

Borrower Staffing Update

Saint John's University has announced an interim President with a 1-year appointment.

Saint John's University and the College of Saint Benedict are moving forward with moving to a common President administrative model. They plan to apply to the accrediting organization for approval of the administrative change in the next few weeks. It is expected the accrediting agency will consider the request at their November 2021 meeting.

Board Update

David Rowland has applied to be reappointed as the MHEFA Board member with expertise in municipal finance. We plan to recommend his reappointment to the Governor.

We are working on recruiting a Board member who is an employee of a college or university to fill the Board opening being vacated by Mark Misukanis. We will have more information on that within two weeks.

Annual Finance Conference

The Annual Finance, held virtually this year, was a success. There were 63 participants who listened to our panel of presenters on multiple topics. We have received multiple unsolicited positive responses and feedback on the quality, professionalism, expertise, and information provided by the speakers.

That concluded Mr. Fick's Executive Director's report for April 21, 2021.

Ms. Amanda Lee, Operations Manager, provided an update on the work identifying a temporary staff position to cover administrative work during Amanda's maternity leave. Ms. Lee updated the board on a candidate Robert Half has identified for a fill-in while she is on maternity leave. Ms. Lee has had personal working history with the identified candidate and believes that the candidate would work well for the Authority's needs. The Authority only found out about this candidate from Robert Half on April 20 but wanted to update the board at this April meeting. Staff expects to bring the negotiated information from Robert Half to the board at the May meeting, just ahead of when the candidate would begin training with Amanda.

At the conclusion of the Executive Directors report, Chair Ranum entertained a motion to adjourn the general meeting. A motion to adjourn as made by Gary Benson and seconded by Mary Ives.

The Board then voted by voice vote to adjourn at 3:58 pm, Central Daylight Time.

Respectfully submitted,

____

Assistant Secretary

Application for Financing

Higher Education

MINNESOTA
HIGHER EDUCATION
FACILITIES AUTHORITY

Borrower Information

Name of Borrower: Hamline University

Date: 4/23/2021

Borrower Primary Contact Information:

Name Margaret Tungseth

Title Vice President for Finance & Administration

Email mtungseth01@hamline.edu Phone 651-523-2329

Purpose of Financing (Select all that apply)

- [x] Building acquisition, construction or renovation, site or equipment acquisition
- [x] Refinancing of one or more Authority bond issues
- [ ] Refinancing of one or more indebtedness not issued by the Authority

Each of the following should be treated as a separate element and described separately, starting with "Project A." If not located on the main campus, please include the street address.

- each new building or complex of buildings (square footage, beds or floors)
- renovations associated with a particular building or site
- equipment that is not related to either the proposed new buildings or existing buildings that are to be renovated
- each Authority bond issue to be refinanced, specifying the series name
- each other indebtedness that is to be refinanced, specifying the date incurred, the lender and the capital project that was financed

Project A: Bathroom infrastructure renovation of Drew Residence Hall

Project B: Conversion of North Campus from high pressure steam to low pressure steam

Project C:

Project D:

Estimated Cost Summary

	Project A	Project B	Project C	Project D	Total
Construction cost	$ 5,580,000	$ 2,520,000			$ 8,100,000
Architectural, engineering and consultant costs	$ 620,000	$ 280,000			$ 900,000
Furnishings and equipment	$ 30,000	$ 0			$ 30,000
Site acquisition	$ 0	$ 0			$ 0
Principal amount of debt to be refinanced	$ 2,975,000	$ 0			$ 2,975,000
Other (excluding issuance costs and reserves)					$ 0
Total	$ 9,205,000	$ 2,800,000	$ 0	$ 0	$ 12,005,000

Estimated Financing Summary

	Project A	Project B	Project C	Project D	Total
Amount of funds from other sources	$ 0	$ 2,280,000			$ 2,280,000
Amount of project cost (excluding issuance costs and reserves) to be financed with Authority bonds	$ 6,230,000	$ 520,000			$ 6,750,000
Principal amount of debt to be refinanced	$ 2,975,000	$ 0			$ 2,975,000
Total	$ 9,205,000	$ 2,800,000	$ 0	$ 0	$ 12,005,000

Please give the approximate dates of any of the following steps that have already been taken:

	Project A	Project B	Project C	Project D
Construction has started	5/10/2021	7/1/2023		
Construction contract has been awarded				
Purchase contract for materials or equipment has been awarded				

Is any part of the facilities, now or in the future, to be managed or otherwise used by any person other than the borrower?

☐ Yes ☑ No

If you checked "YES," please describe briefly the location and extent of the use and whether the user is an exempt organization under Section 501(c)(3) of the Internal Revenue Code:

Will any of the following actions violate any provisions of the articles of incorporation, the bylaws or constitution of the borrower or of any affiliated organization, any existing mortgage, deed, contract or other agreement, or any state, local or federal law, rule, regulation or ordinance?

Entering into a loan agreement with the Authority for the repayment of bond proceeds?

☐ Yes ☑ No

Completing the proposed project or prepaying the Authority bonds or other debt that will be refinanced?

☐ Yes ☑ No

Entering into a mortgage or security agreement to secure repayment to the Authority?

☐ Yes ☑ No

Proposed Timing Summary

	Project A	Project B	Project C	Project D
Start date	5/10/2021	5/10/2021		
Completion date	8/1/2022	8/1/2022		
Acquisition date if the project is only for equipment				
Optional redemption date for refinancings	6/30/2021			

How will this bond issue be sold?

☐ Competitive public sale

☐ Negotiated public offering

☑ Private placement

☐ Undecided

When do you wish to close on the bond issue?

- [ ] As soon as practical
- [ ] No later than: 06/30/2021
- [ ] Not sooner than:

What is the expected source of funds to repay the loan of bond proceeds? (check all that apply)

- [x] Operating funds
- [ ] Additional revenue from the project
- [ ] Gifts from private donors
- [ ] Grants from governmental sources
- [ ] Other

If repayment is not expected to be entirely from operating funds, state the approximate amount from the other sources and whether such funds are temporarily or permanently restricted in any way as to use:

Is credit or liquidity enhancement expected? (check all that may apply)

- [ ] Bond insurance
- [ ] Letter of credit
- [ ] Standby bond purchase agreement for tendered bonds
- [ ] Guaranty

What is the status of any application for the foregoing?

What are the preferred scheduled payment dates?

Month and earliest year for annual principal payments: 10/01/2021

Earliest month and earliest year for interest payments: 08/01/2021

Are revenues available to pay interest during the construction period?

☐ Yes ☐ No, interest should be capitalized for _____ months ☑ Not Applicable

The following two questions apply to all refinancings. Please select "Not Applicable" if this does not apply.

☐ Not Applicable

1. Has the original project been completed substantially in accordance with the plans and specifications?

☑ Yes ☐ No

2. Has there been a default by the institution or by any other party, in the performance of the covenants and conditions relating to the Authority bonds or other debt to be refinanced?

☐ Yes ☑ No

The following four questions apply to refinancing debt that is not Authority issued bonds. Please select "Not Applicable" if this does not apply.

☑ Not Applicable

1. Will the proposed refinancing enhance and preserve the borrower and the facilities being refinanced or utilization thereof for educational purposes?

☐ Yes

☐ No, because:

2. Will the proposed refinancing extend or adjust maturities to correspond to the resources available for their payment?

☐ Yes

☐ No, because:

3. Will the proposed refinancing reduce the tuition charges or fees imposed on students for the use of such facilities or costs met by state or federal funds?

☐ Yes

☐ No, because:

4. Will the proposed refinancing enhance or preserve educational programs and research or other facilities eligible to be a project or part thereof?

☐ Yes

☐ No, because:

The table below applies to refinancing debt that is not Authority issued bonds. Please check "Not Applicable "if this does not apply.

☑ Not Applicable

Statutory Maximum to Refinance Debt Other Than Authority Bonds

	Project A	Project B	Project C	Project D
(a) Original project costs				
(b) Principal amount of any debt (other than Authority bonds) to be refinanced				
(b) Accrued but unpaid interest on debt (other than Authority bonds) to be refinanced				
(b) Prepayment premium (or discount) on debt (other than Authority bonds) to be refinanced				
(c) Appraised value of project				
(c) Depreciated equipment				
Maximum allowable: the lesser of (a) original cost, (b) principal, interest and premium and (c) present value				

Check below if any of the projects are located in or involve any of the following:

☐ Riparian frontage

☐ Shoreland area

☐ Delineated flood plain

☐ State or Federally designated wild and scenic rivers district

☐ Minnesota River Project Riverbend area

☐ Mississippi River headwaters area

If there are any potential environmental issues, please summarize the major environmental issues:

Governmental Approval Summary

	Project A	Project B	Project C	Project D
Zoning variance or change	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending
Building permit	☐ not applicable ☐ received ☑ pending	☐ not applicable ☐ received ☑ pending	☐ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending
Other governmental approval	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending
Environmental Assessment Worksheet	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending
Environmental Impact Statement	☑ not applicable ☐ received ☐ pending	☑ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending	☐ not applicable ☐ received ☐ pending

If one or more governmental approvals are pending, please describe the status of the application process and whether approval is expected before the bond closing:

Building permit is expected to be received prior to bond closing on the Drew project.

Borrower Contact Information:

Legal name of corporate borrower and street address:

Trustees of the Hamline University of Minnesota
1536 Hewitt Avenue, Saint Paul, MN 55104

President of College or University:

Dr. Fayneese Miller

Chief Financial Officer (please give name, title, preferred mailing address, telephone, fax and email address):

Margaret Tungseth, Vice President for Finance & Administration
MS - B1809, 1536 Hewitt Avenue, Saint Paul, MN 55014 651-523-2329 mtungseth01@hamline.edu

Additional staff assisting with the project (please give name, title, preferred mailing address, telephone, fax and email address):

Clare Brown, Administration Assistant to the CFO/Risk Manager
MS - B1809, 1536 Hewitt Avenue, Saint Paul, MN 55014 651-523-2437 cbrown05@hamline.edu

Attorney (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

Rhonda Skoby
Dorsey & Whitney LLP

Independent Auditor (please give name of firm and the responsible individual as well as preferred mailing address, telephone, fax and email address)

CliftonLarsonAllen LLP
Deirdre Hodgson, Principal 220 South 6th Street, Suite 300, Minneapolis, MN 55402

Description of Accreditation and Degrees:

If the principal institutional accreditation is not North Central Association of Colleges and Secondary Schools, please state the principal accreditor:

Higher Learning Commission

Degrees conferred are:

- [ ] Associate of Arts
- [ ] Associate of Applied Science
- [ ] Associate of Science
- [x] Bachelor of Arts
- [x] Bachelor of Fine Arts
- [x] Bachelor of Music
- [ ] Bachelor of Music Education
- [x] Bachelor of Science
- [x] Master of Arts
- [x] Master of Business Administration
- [x] Master of Education
- [x] Master of Fine Arts
- [ ] Master of Science
- [ ] Master of Social Work
- [ ] Master of Physical Therapy
- [ ] Doctor of Chiropractic Medicine
- [x] Doctor of Education
- [ ] Doctor of Philosophy
- [ ] Doctor of Public Administration
- [ ] Doctor of Psychology
- [ ] Juris Doctor
- [x] Others:

Religious Affiliations

1. Does the institution receive support from any church body?

☑ Yes ☐ No

2. Does a church body or religious order control the election of any trustees or officers?

☐ Yes ☑ No

3. Is the consent of any religious order or any other corporation necessary before the instution may sell or motgage its property or borrow money?

☐ Yes ☑ No

4. Are there any religious qualifications for faculty appointments?

☐ Yes ☑ No

5. If the institution teaches courses in religion or theology, does the institution confer a theology degree or otherwise prepare students for a religious vocation?

☐ Yes ☑ No

6. If the institution teaches courses in religion or theology, does the institution teach the distinctive doctrines, creeds or tenets of any particular religious sect?

☐ Yes ☑ No

7. Are the students required to attend chapel or other religious service?

☐ Yes ☑ No

Please explain if you have answered "YES" to any of the foregoing seven questions:

The institution receives diminimus donations from several Methodist Churches and is affiliated but not controlled by the Methodist Church.

Teaching and Admission Standards

1. Does the institution and its faculty subscribe to the Statement of Principles of Academic Freedom promulgated by the American Association of University Professors and the Association of American Colleges?

☑ Yes ☐ No

2. Are all courses of study, including any religion and theology courses, at the institution taught according to the academic requirements of the subject matter and the individual instructor's concept of professional standards?

☑ Yes ☐ No

3. Does the institution admit students without regard to race, color, religion or national origin?

☑ Yes ☐ No

Please explain if you have answered "No" to any of the foregoing three questions:

No Discriminatory Practices

1. Does the institution unlawfully discriminate in any manner in the full utilization or benefit of the institution or its services because of gender, race, color, creed, national origin or other basis?

☐ Yes ☑ No

2. Does the institution expel, limit or otherwise unlawfully discriminate against enrolled students because of gender, race, color, creed, national origin or other basis?

☐ Yes ☑ No

3. Does the institution unlawfully discriminate in hiring, promotion, salary, and assignments or in any other matter in its employment practices, because of gender, race, color, creed, national origin or other basis?

☐ Yes ☑ No

Please explain if you have answered "Yes" to any of the foregoing three questions:

LIST OF EXHIBITS

(please number consecutively)

For traditional undergraduate and graduate programs and any nontraditional programs that provide substantial revenue: (A) Enrollment information (head count and full-time equivalent) submitted to the Office of Higher Education for the five-year period immediately preceding this application, (B) Projected head count and full-time equivalent enrollment for the five-year period following this application and (C) Applications, acceptances and matriculations for first year students during the past five fall terms.

- [x] attached as Exhibit A
- [ ] not attached because project is for equipment only under lease program

Most recent published tuition, room and board fee schedule, and any supplemental charges.

- [x] attached as Exhibit B
- [ ] not attached because project is for equipment only under lease program

List of all outstanding indebtedness (excluding debt that will be refinanced with new Authority bonds), including interest rates, amounts, repayment schedule and description of the mortgage or other collateral securing payment.

- [x] attached as Exhibit C
- [ ] not attached because project is for equipment only under lease program

Description of any debt limitation, covenant or restriction to which the institution is subject, with a statement by the Chief Financial Officer and supporting calculations as to compliance with such debt limitation, covenant or restriction.

- [x] attached as Exhibit D
- [ ] not attached because project is for equipment only under lease program

Audited financial statements for each of the past five fiscal years. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit ___
- [x] Website address: https://www.hamline.edu/offices/finance/

Current operating budget.

- [x] attached as Exhibit E

Current college catalog for undergraduate and graduate programs. May be provided by reference to your website (please state specific website address below), sent electronically, or on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit ___
- [x] Website address: https://www.hamline.edu/registration-records/bulletin/

Current faculty handbook. Please provide the website address, send electronically, or on a labeled CD (mailed or delivered).

- [x] attached as Exhibit F
- [ ] Website address:

List of current board members and officers.

☑ attached as Exhibit G

Copy of the current articles of incorporation. If the institution was incorporated under a special act, a copy of the special act with all amendments should be provided. Please include any amendments that are expected to be proposed for approval.

☑ attached as Exhibit H

Copy of the current bylaws of the corporation. Please include any amendments that are expected to be proposed for approval. Please include any other similar corporate guidelines such as a "constitution".

☑ attached as Exhibit I

Copy of the articles of incorporation and bylaws of any affiliated religious or other organization that must approve any action by the institution to sell or mortgage its property or to borrow money.

☐ attached as Exhibit __

☑ not applicable

Copy of the most recent ruling or letter from the Internal Revenue Service confirming that the institution is an organization described in Section 501(c)(3) of the Internal Revenue Code.

☑ attached as Exhibit J

Copy of the most recent letter from the Office of Higher Education confirming registration under Minnesota Statutes, Section 136A.61 to 136A.71.

☑ attached as Exhibit K

Description of any pending litigation that is uninsured and would have a material adverse financial impact if resolved against the institution. In addition, please describe any charge filed against the institution by a state or federal agency or any individual or group alleging unlawful discrimination by the institution.

☑ attached as Exhibit O

☐ no pending litigation

Either (A) a copy of a survey of the site (as built, if this is a refinancing) of the project, including the related legal description or (B) a plat map or other depiction of the project site that clearly shows the location of existing and proposed buildings and the relationship to a legal description. If a mortgage is necessary for this financing, a survey will be required and it must show any right-of-way necessary for access by the mortgagee or new owner to a public street or highway and all easements and other legal encumbrances.

☑ attached as Exhibit L

☐ arrangements for a survey or plat map will be made before bonds are offered for sale

☐ not attached because project is for equipment only under lease program

Either (A) a commitment to issue a title insurance policy in an owner's or mortgagee's form or (b) a preliminary opinion of title based upon an examination of real estate records covering the project site and certified to within approximately 30 days of the date of the opinion. All exceptions, liens and encumbrances should be noted on the commitment or opinion. The evidence should indicate that title or suitable ownership interest is held by the institution or a seller of any real estate to be acquired with this financing.

- [ ] attached as Exhibit ___
- [x] arrangements for evidence of ownership will be made before bonds are offered for sale.
- [ ] not attached because project is for equipment only under lease program

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment A declaring official intent to reimburse itself from bond proceeds and authorizing submission of the Application.

- [x] attached (showing the effective date) as Exhibit M
- [ ] not attached but will be adopted on ____________________ (must be before public hearing)
- [ ] not applicable because this application is solely for refunding Authority bonds.

Copy of the resolution of the governing board (or the executive committee) of the institution in a form similar to Attachment B authorizing submission of this Application.

- [x] attached (showing the effective date) as Exhibit M
- [ ] not applicable because a resolution similar to Attachment A is submitted

Certification by the architect in a form similar to Attachment C that the estimated costs of the items comprising the total structure costs are considered to be realistic and have been made according to accepted architectural practices for developing preliminary estimates.

- [x] attached as Exhibit N
- [ ] not applicable because no construction or significant renovation is proposed

The following exhibits apply only to refinancing of debt that is <u>not</u> Authority bonds. Please select "Not Applicable" if this does not apply.

- [x] Not Applicable

Copy of all loan agreements, promissory notes, financing agreements, indentures, mortgages or other documents relating to the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be provided on a labeled CD.

- [ ] attached as Exhibit ___

Copy of all leases, management agreements, use agreements or other documents relating to the capital project originally financed by the debt (that is not Authority bonds) to be refinanced, together with all amendments or modifications. May be sent electronically or provided on a labeled CD (mailed or delivered).

- [ ] attached as Exhibit ___

Copy of current appraisal of capital project originally financed by the debt (that is not Authority bonds) to be refinanced prepared by an appraiser with the MAI designation or the equivalent.

- [ ] attached as Exhibit ___

Signature and Certifications

The undersigned officers of the borrower hereby certify that the Application, including the enclosed exhibits are complete and correct. We have reviewed and hereby accept the terms of the Indemnity Agreement as set forth in Attachment D.

(Chief Executive Officer)

Fayneese S. Miller

Signature:

Title: President

And

(Chief Financial Officer)

Signature: Margaret A. Jungseth

Title: Vice President for Finance & Administration

Date of this Application: 4/23/21

Delivery Instructions

The following two items must be received by the Authority in order to proceed with the financing:

☑ Signed Application, together with exhibits, for the Authority

- Email to bwf@mnhefa.org (cc: agl@mnhefa.org)
- Signed Application, together with exhibits, will be forwarded by the Authority to Bond Counsel and the Financial Advisor

☑ $1,000 Application Fee

- Checks should be made payable to: Minnesota Higher Education Facilities Authority
- Mail or Deliver check to:

  Minnesota Higher Education Facilities Authority

  380 Jackson Street, Suite 450

  Saint Paul, MN 55101

  651-296-4690

- Electronic payment is also available. Please contact the Authority for banking information if preferred.

APR 2 7 2021

RESOLUTION OF THE BOARD OF TRUSTEES
OF THE TRUSTEES OF THE HAMLINE UNIVERSITY OF MINNESOTA

Whereas: The Vice President for Finance and Administration of Hamline University has presented to the Board of Trustees a proposal to refinance of the Series Seven-Y2 Revenue Note, issued in 2013 and outstanding in the approximate amount of $2,975,000; and

Whereas: The proposal to refinance the Series Seven-Y2 Revenue Note includes a provision that allows the University to increase the amount borrowed by up to $6,750,000 to fund major facilities capital projects, including a portion of the renovation of Drew Hall;

Be it Resolved: The Board of Trustees authorizes the President and her designees (including the Vice President for Finance and Administration), or each of them, to prepare and submit a financing application to the Minnesota Higher Education Facilities Authority and to make application for, negotiate, finalize, execute, acknowledge, deliver and perform in the name of, and on behalf of, The Trustees of the Hamline University of Minnesota, all required documentation (the "Financing Documents") with respect to refunding and refinancing the outstanding Series Seven-Y2 Revenue Note, (Trustees of the Hamline University of Minnesota), issued in 2013 by the Minnesota Higher Education Facilities Authority ("MHEFA") on behalf of the University on September 30, 2013 to refund the Series Six-E2 bonds and finance construction of various campus projects. The authorization also applies to the financing of up to $6,750,000 for major facilities capital projects, including construction costs related to the renovation of Drew Hall. The total borrowing shall not exceed $9,725,000, including estimated closing costs.

Certain expenditures relating to the renovation of Drew Hall may be incurred and paid prior to the issuance of a tax-exempt Note and the Hamline University Board of Trustees declares the intent , for purposes of Section 1.150-2 of U.S. Treasury Regulations, to reimburse Hamline University for all or part of such expenditures.

Further, the Board of Trustees authorizes the Executive Committee to give approval as to the final terms and conditions of the borrowing on behalf of the Hamline University Board of Trustees as may be necessary or desirable, in lieu of full Board of Trustees approval, provided the maximum principal amount of the borrowing shall not exceed the amount shown above and the true interest cost on the Note shall not exceed 5%.

APR 2 7 2021

RESOLUTION OF THE BOARD OF TRUSTEES OF THE TRUSTEES OF THE HAMLINE UNIVERSITY OF MINNESOTA

Whereas: At its February 27, 2021 meeting, the Board of Trustees approved this resolution: "Because of the opportunity for favorable interest rates, the Board hereby authorizes the VP for Finance and Administration to move forward with identifying financing options for purposes including the restructuring of the 7Y2 debt issuance, and the investment in deferred maintenance through increased indebtedness. The Board further authorizes the FFI Committee to approve the terms and conditions of such financing. The Board retains approval authority over the specific manner in which the indebtedness incurred through the financing will be used."

Whereas: The Finance, Facilities, & Investment Committee met on March 30, 2021 and approved the terms and conditions of the financing, authorizing the University to borrow up to $9,725,000 (including estimated closing costs). The Committee further reviewed and recommends to the full Board of Trustees approval for expenditure of the funding to refinance the Series Seven-Y2 Revenue Note in the approximate amount of $2,975,000, and to fund major facilities capital projects as presented in a four-year facilities plan (attached) in an amount up to $6,750,000.

Whereas: The four-year facilities plan recommended for approval by the Finance, Facilities, & Investment Committee contains funding for major facilities capital project(s), deferred maintenance projects, recurring capital expense allowances, project call funds, and unassigned contingency funds. One major project identified for FY22-23 is Drew Hall infrastructure work and another for FY24-25, the conversion from high pressure to low pressure steam for the north campus.

Be it Resolved: That, upon the recommendation of the Finance, Facilities, & Investment Committee, the Board of Trustees hereby accepts the Committee's recommendation regarding the expenditure of the funds and approves expenditure of the funding to refinance the Series Seven-Y2 Revenue Note in the approximate amount of $2,975,000, and to fund major facilities capital projects as presented in a four-year facilities plan (attached) in an amount up to $6,750,000.

INDEMNITY AGREEMENT

Terms and conditions relating to any application by a nonprofit corporation, as operator of an institution of higher education (the "College") in the State of Minnesota for financing through the Minnesota Higher Education Facilities Authority (hereinafter called the "Authority"), an agency of the State of Minnesota.

1. For purposes of the Indemnity Agreement, the following terms are assigned the meaning set forth below:

"Act" means Minnesota Statutes, Section 136A.25 to 136A.42, as amended.

"Authority, its agents and representatives" includes any member or officer of the Authority, any employee of the State of Minnesota assigned to work with or for the Authority on a full time or part time basis, the Authority's financial advisor, the Authority's bond counsel, and, if approved by the College, any other consultant employed by the Authority in connection with the project.

"Bonds" includes bonds, notes and lease obligations.

"Bond counsel" means any law firm appointed by the Minnesota Attorney General's Office to act as bond counsel for the Authority.

"Financial advisor" means any firm appointed by the Authority to provide financial advisory services with respect to bonds of the Authority.

2. The College has submitted an application to the Authority for financing assistance under the Act, together with exhibits thereto (collectively, the "Application"). Such Application is true and complete in all respects, and if any change or event shall occur to make the Application untrue, incomplete or misleading, or if the College shall discover that the Application is untrue, incomplete or misleading, the College will notify the Authority promptly in writing.

3. The College will indemnify and hold the Authority, its agents and representatives harmless from any loss, liability or expense which they or any of them may incur or suffer as a result of (a) any untrue, incomplete or misleading statement or information provided or approved by the College and contained in the Application or subsequently furnished to the Authority, its agents or representatives or (b) any statement or information relating to the College, the College's project or operations of the College contained in any Official Statement or other public or private offering document approved by the College in connection with the issuance or sale of bonds for the College, if such statement or information is untrue or incorrect in any material respect or if there is an omission of any statement or information which should be contained therein or which is necessary to make the statements therein relating to the College, the College's project or the College's operations not misleading in any material respect.

4. Any written item furnished by an officer, director, trustee or employee of the College or by an architect, engineer, attorney or other consultant designated by the College in the Application or otherwise as being consultant to the College in respect of the project, shall be deemed to have been furnished by the College. Any item prepared by the Authority, its agents and representatives shall be deemed to have been approved by the College, if approved orally or in writing, (i) by an officer of the College or of its governing board or (ii) by a person designated as an authorized representative of the College by an officer of the College or of its governing board.

5. The College reserves the right to withdraw its Application any time before the Application is approved by the Authority, which approval shall be evidenced by a resolution of the members of the Authority at a regular or special meeting of the Authority. However, the Application fee, where required, is non-refundable whether or not the Application has been withdrawn and whether or not any bonds are issued for the College as proposed in the Application. However, any application fee will be credited against the first annual administrative fee.

6. The College understands that bond counsel and the financial advisor will use their best efforts in completing the financing pursuant to the Act. Without limiting the generality of the foregoing:

(a) The financial advisor is authorized (i) to investigate the feasibility of the project and the financing thereof, (ii) to make recommendations with respect thereto to the Authority and the bond counsel, (iii) to prepare, in consultation with the College and the bond counsel, an Official Statement describing the bonds, the project and the College and (iv) to present information respecting the College, the project and the bonds to any other person having a legitimate present or prospective interest in the project or bonds, including any investment banker, federal agency, bond rating agency, credit enhancement provider, or financial or other information media.

(b) The bond counsel is authorized (i) to investigate all legal questions respecting the College and the acquisition and financing of the project, (ii) to examine the corporate documents respecting the organization of the College, abstracts of title, construction contracts, leases and other agreements relating to the College or project, (iii) to render opinions on any such matters to the Authority, the financial advisor, the College or any other person having a legitimate present or prospective interest in the project or bonds, and (iv) to prepare forms of (A) Agreement between the Authority and the College, (B) Trust Indenture by the Authority to a trustee for the bondholders, (C) other related documents, (D) Resolutions to be adopted by the Authority and the College relating to the foregoing, and (E) any amendment or supplement to any of the foregoing deemed necessary or desirable by bond counsel.

(c) The Authority intends (i) to review all such recommendations, opinions and documents relating to the financing, (ii) to review all such additional documents as may be furnished by the College, and (iii) to present information respecting the College, the project and the bonds to any person having a legitimate present or prospective interest in the project or bonds.

7. The College agrees to pay the reasonable fees and expenses of the bond counsel and financial advisor and, if approved by the College, of any consultant employed by the Authority for services rendered after submission of the Application and any out-of-pocket expenses incurred by them on account of the project. The College further agrees to pay any out-of-pocket expenses incurred by the Authority on account of the project. The agreements on the part of the College contained in this paragraph 7 shall be enforceable by the Authority and by the financial advisor, bond counsel and (if approved by the College) other consultant employed by the Authority, whether or not the Application is approved or the project completed or bonds issued by the Authority and, without regard to cause.

8. The College agrees (i) to furnish as promptly as possible all information requested by the Authority, its agents and representatives, (ii) to make available to the Authority, its agents and representatives, all books and records, contracts, documents and reports of the College pertaining to the project and the organization and financial condition of the College, and (iii) to review all documents prepared by the Authority, its agents and representatives, as contemplated by paragraph 7, and communicate approval or request changes as the College may deem necessary or appropriate in its own best interests.

9. The Authority may terminate progress towards issuing bonds at any time and for any reason including: (a) failure by the College to perform the actions specified in paragraph 8, (b) the Application or other materials furnished by the College contains statements or omissions which are materially false or misleading, (c) either the College's project or issuing bonds for the College's project is not economically feasible, (d) the College is not an eligible institution under the Act or (e) the project is not an eligible project under the Act. Before the Authority terminates a financing under this paragraph 9, it shall notify the College at least 10 days in advance of the date of the Authority's regular or special meeting at which termination will be considered and to provide a reason for the termination. The College shall have the right to appear at such meeting and object in person or by writing to the proposed action of the Authority. The College agrees that the action of the Authority shall be final and binding upon the College.

10. The College has the right to terminate, for any reason and without cause, the financing at any time before bonds are sold by the Authority. Copies of such notice shall be sent to the Authority, its bond counsel, financial advisor and any other consultant employed by the Authority for the financing. Thereafter, the Authority's bond counsel, financial advisor and any other consultants shall not render further services, and neither they nor the Authority shall incur further expenses for the account of the College relative to the financing, except such minor services and expenses as may reasonably be required to wind up and protect the work done to the date of receipt of notice.

North Slope Capital Advisors
1165 Delaware Street, Suite 140
Denver, CO 80204
303-953-4101

May 19, 2021

Minnesota Higher Education Facilities Authority
c/o Mr. Michael D. Ranum, Board Chair
and Mr. Barry W. Fick, Executive Director
380 Jackson Street, Suite 450
Saint Paul, MN 55101

Dear Mr. Ranum, Mr. Fick, & Authority Board Members:

As the independent registered municipal advisor for the Authority, we are pleased to provide the following review of the financing application submitted by Hamline University (the "University") for assistance from the Minnesota Higher Education Facilities Authority (the "Authority") to issue its Series 2021 Revenue Note (the "Note") to:

(1) finance various improvements to the University's buildings, including bathroom infrastructure renovation of Drew Residential Hall and conversion of the North Campus from high pressure steam to low pressure steam (the "Project"),
(2) refinance the remaining outstanding Series 2013 (Seven-Y2) Note[1], and
(3) fund the costs of issuing the Note.

Provided below is a summary of the financing followed by a detailed review of the University's credit profile, the Project, and the proposed financing.

Financing Summary	
Par Amount (Estimated as of 3-9-2021)	$9,725,000
Financing Type	New Money and Refunding
Project	Improvement Projects
Prior MHEFA Bonds/Notes Outstanding (as of 5/1/2021)	Series 2017B - $32,520,000 Series 2017A - $4,645,000 Series 2013 (Seven-Y2) - $2,975,000[1]
Current Underlying Rating	Baa3 (Stable) as of 4/23/2021
Direct Purchase Bank	US Bank
Bond Counsel	Fryberger, Buchanan, Smith & Frederick, P.A.
Issuance Date (Estimated)	June 29, 2021

Based on our initial review of the materials provided by the University, as well as the term sheet provided by the Direct Purchase Bank, it is North Slope's opinion that a borrowing in the amount required to achieve its purposes is fiscally feasible and that a note with adequate security can be structured. Accordingly, North Slope will be attending the Authority's meeting on May 19, 2021 to present our review of the University's application and answer any questions.

Respectfully submitted,

NORTH SLOPE CAPITAL ADVISORS by
Steph M. Chichester, President

NORTH SLOPE CAPITAL ADVISORS by
Nick E. Taylor, Managing Director

cc: Ms. Margaret Tungseth, Sr. Vice President of Finance and Administration
Ms. Michelle Hegarty, Assistant Vice President of Finance and Administration

[1] To be refunded in full by the Note.

The University

History

Hamline University ("Hamline" or the "University") is a nationally ranked university serving nearly 3,400 students in its three schools: College of Liberal Arts, School of Education, and School of Business. Founded in 1854, Hamline was the first institution of higher learning in Minnesota. During the past 166 years, the University has established a national reputation for academic quality, as well as providing students with personal attention and exceptional experiences. Located in the vibrant Twin Cities of Saint Paul and Minneapolis, Minnesota, Hamline is affiliated with the United Methodist Church, and the University is one of only 286 Phi Beta Kappa institutions in the United States.

Hamline is recognized as a diverse, learning-centered university that is rooted in a tradition of liberal education: dynamic, and actively inclusive; locally engaged and globally connected; and invested in the personal and professional growth of its employees and students. The University has a strong tradition of excellence in teaching, research, and scholarship. Among its longstanding values are commitments to rigorous academics; creation, dissemination, and practical application of knowledge; multicultural competencies; the development and education of the whole person; and an ethic of social justice and civic responsibility. In its *Best Regional Universities* category, U.S. News and World Report has ranked Hamline one of the top-ranked Minnesota universities for the past 19 consecutive years.

Enrollment[2]

The University's total headcount and full-time enrollment trends for the last five fall semesters are reflected in the table below.

Fall	**2020**	**2019**	**2018**	**2017**	**2016**
Headcount	3,113	3,404	3,526	3,734	3,852
Change (#)	(291)	(122)	(208)	(118)	(406)
Change (%)	-8.55%	-3.46%	-5.57%	-3.06%	-9.54%
FTE	2,698	2,850	2,899	3,036	3,106
Change (#)	(152)	(49)	(137)	(70)	(288)
Change (%)	-5.33%	-1.69%	-4.51%	-2.25%	-8.49%

The University is focused on the student enrollment decline and is working to stabilize and increase enrollment, in part as shown by the residence hall improvements to be funded with proceeds of the Series 2021 Note. A representative of the University will participate in the Board meeting and be able to provide additional information on student enrollment plans.

Summary of Financial Operations

Despite revenue pressure driven by enrollment declines, the University has consistently maintained balanced operations and steady operating cash flow margins over the last several years. Fiscal year 2020 operating results remained strong with a total change in total net assets (with and without donor restrictions) of just over $7.4 million due to expense adjustments, CARES Act funding and strong gift support. According to the budget information provided by the University, a slight positive operating margin is expected for fiscal year 2021.

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[2] Source: https://emma.msrb.org/P21440401-P21118294-P21529504.pdf

Provided in Appendix A is a *Statement of Activities and Change in Net Assets* for the University's two prior fiscal years ending June 30, 2020 and June 30, 2019 which presents information about the University's operating activities derived from the audited financial statements.

Summary of Financial Position

The University maintains good liquidity with over 107 days cash on hand as of fiscal year 2020 due to increased total cash and investments over the last five years from positive operating cash flow margins. Over the same five-year period, the University has decreased its liabilities by over 11% and increased its unrestricted net assets by almost 62%.

Hamline University
Statements of Financial Position (in thousands of dollars)
As of June 30, 2020 thru 2016

	2020	2019	2018	2017	2016
ASSETS					
Total Assets	$ 222,794	$ 220,395	$ 211,148	$ 205,000	$ 200,073
LIABILITIES					
Total Liabilities	57,298	62,304	64,941	59,949	64,963
NET ASSETS					
Unrestricted	62,522	61,111	52,443	40,350	38,619
Temporarily restricted	-	-	93,764	36,595	31,914
Permanently restricted	102,975	96,979	-	68,106	64,577
Total Net Assets	165,497	158,090	146,207	145,051	135,110
TOTAL LIABILITIES AND NET ASSETS	$ 222,795	$ 220,394	$ 211,148	$ 205,000	$ 200,073

Provided in Appendix B is *Statements of Financial Position* for the University's prior five fiscal years ending June 31, 2020 thru June 31, 2016 which presents information about the University's assets, liabilities and net assets derived from the audited financial statements.

Summary of Outstanding Debt

As of May 1, 2021, the University had $40,140,000 of outstanding debt as summarized below.

Outstanding Debt				
Series	*Issue Date*	*Original Principal*	*Outstanding Principal*	*Mode*
Series 2017B	December 6, 2017	$ 34,650,000	$ 32,520,000	Fixed Rate
Series 2017A	June 30, 2017	6,726,000	4,645,000	Fixed Rate
Series 2013 (7-Y2)	September 30, 2013	6,210,000	2,975,000*	Variable Rate
Total		$ 47,586,000	$ 40,140,000	

* To be refunded in full by the Note

While the proposed issuance of Note will represent a slight increase ($3.775 million) to the University's outstanding debt, the pro forma total of ~$43.915 million will remain well-below Moody's "Baa" private university median of $73.26 million. Further, the University's capital ratios and liquidity are expected to remain robust with total cash and investments of $105.8 million as of fiscal year 2020 providing a strong 2.41x coverage to proposed total debt of ~$43.915 million. Finally, the University's debt burden, measured by pro forma maximum annual debt service as a percent of operating expenses as of fiscal year 2020, will increase slightly to 4.98% from 4.57%.

The Project

A portion of the proceeds of the Note will be used to finance infrastructure renovations to Drew Residence Hall as well as finance the conversion from high pressure steam to low pressure steam on the North Campus. The remaining portion of the proceeds of the Note will be used to refund the remaining Series 2013 (Seven-Y2) Note currently outstanding in the amount of $2,975,000 and pay costs of issuance. The total cost of the Project is expected to be $9.03 million with approximately $6.75 million of the Note proceeds used to finance the Project and the remaining $2.28 million from other sources of the University. The renovations to Drew Hall, and the steam conversion work commenced on May 10th, 2021 and both projects are expected to be completed in August 2022.

The Financing

The University anticipates issuing one note to finance the Project, refinance all the remaining outstanding Series 2013 (Seven-Y2) Notes and pay costs of issuance. The estimated par amount of the Note is approximately $9,875,000 with the first principal payment estimated to be October 1, 2021 and a final maturity of October 1, 2031 (10-year amortization). Debt service on the Note is expected to be structured using a mortgage-style amortization structure with principal payable annually.

The University has determined to place the Note with U.S. Bank (the "Purchaser") and the University has executed a *Fixed Rate Interest Lock and Indemnity Agreement,* dated April 1, 2021, with the Purchaser to lock the fixed interest rate at 2.23%. The rate will remain fixed at 2.23% for an initial period of five years (7/15/2026) but the Note will amortize over a 10-year period as mentioned previously. The University will have the option to request an extension on the Note from the Purchaser 180 days prior to July 15, 2026; otherwise, the Note will be subject to mandatory tender by the Purchaser to the University on such date. Finally, the University will have the option to prepay 10% of the principal outstanding annual without any prepayment penalty. Provided in Appendix C is a debt service 'skyline' for the University's outstanding and pro forma debt service based on debt service pro formas prepared by North Slope on May 10, 2021.

Sources and Uses (as of May 12, 2021)

A preliminary estimate of sources and uses for the Note is provided below:

Preliminary Sources and Uses	
SOURCES	
Par amount	$9,875,000
Total Sources	$9,875,000
USES	
Deposit to Escrow Fund (refund Seven-Y2 Note)	$2,975,000
Deposit to Project Fund	6,750,000
Estimated costs of issuance	150,000
Total Uses	$9,875,000

Security for the Note

The Note will be issued by the Authority and secured by loan repayments made by the University pursuant to a *Loan Agreement* between the Authority and the University, or from other amounts pledged pursuant to a *Trust Indenture*. The University will also covenant in the *Loan Agreement* to not mortgage nor grant a security interest in the main campus in St. Paul, Minnesota (e.g., negative pledge). The Note will be payable solely as a general obligation of the University from the general funds or any other moneys legally available to the University. Finally, it is anticipated there will not be a mortgage lien nor security interest in any property of the University, and no debt service reserve fund will be funded with proceeds of the Note.

Financial Covenants

The University is subject to financial covenants contained in the Loan Agreement(s) for the Series 2017B Bonds, the Series 2017A Note, and the Series 2013 (Seven-Y2) Note issued through the Authority as summarized below:

Series 2017B Bonds	**Series 2017A Note**	**Series 2013 (Seven-Y2) Note[3]**
1. Fixed Charge Coverage Ratio	1. Fixed Charge Coverage Ratio	1. Fixed Charge Coverage Ratio
Coverage Ratio ≥ 1.10x	*Coverage Ratio ≥ 1.10x*	*Coverage Ratio ≥ 1.15x*
2. Additional Bonds Test	2. Liquidity Covenant	2. Net Assets Ratio
Liquidity Ratio ≥ 50%, and *Average 2-yr Coverage Ratio ≥ 1.10x*	*Minimum Unrestricted Liquidity of $5 million each FY*	*Debt / total net assets ≤ 50%*

After the Note is issued, the financial covenants associated with the Series 2017B Bonds and the Series 2017A Note will remain outstanding and the covenants associated with the Series 2013 (Seven-Y2) Note will be eliminated. For the Series 2021 Note, the Purchaser has proposed the following financial covenants:

Series 2021 Note
1. Fixed Charge Coverage Ratio
Coverage Ratio ≥ 1.10x
2. Liquidity Covenant
Minimum Eligible Cash and Investments of $15 million each FY
3. Additional Bonds Test
No additional parity or subordinate debt without Purchaser consent with the exception of equipment debt ≤ $500,000

As provided in the University's continuing disclosure filing on March 5, 2021, the University met the annual financial covenants associated with the Series 2017B Bonds, Series 2017A Note and Series 2013 (Seven-Y2) Note for Fiscal Year 2020.

Before issuing the Series 2021 Note, the University will need to comply with the Additional Bonds Test Associated with the Series 2017B Bonds. As indicated below, North Slope has calculated the Additional Bonds Test and the University meets the requirements of the Series 2017B Bonds Additional Bonds Tests to incur the additional debt:

Series 2017B Bonds
2. Additional Bonds Test
Liquidity Ratio ≥ 50% and average 2-yr Coverage Ratio ≥ 1.10x
Liquidity Ratio = 244% (FY20 Cash and Investments of $107.28MM / Pro Forma Funded Debt of $43.915MM)
Average 2-yr Coverage Ratio = 3.18x (Avg. NIADS FY20+FY19 of $13.5MM / Pro Forma MADS of $4.25MM)

[3] Eliminated after the issuance of the Series 2021 Note.

Ratings
The University currently has a long-term rating of "Baa3" with a stable outlook from Moody's Investors Service ("Moody's") which was affirmed on April 23, 2021 and a copy of which is provided in Appendix D. The University will not be seeking a rating in conjunction with the Note.

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Hamline University (Series 2021)
Date: May 19, 2021
Appendix A

Hamline University
Consolidated Statement of Activities (in thousands of dollars)
As of June 30, 2020 and 2019

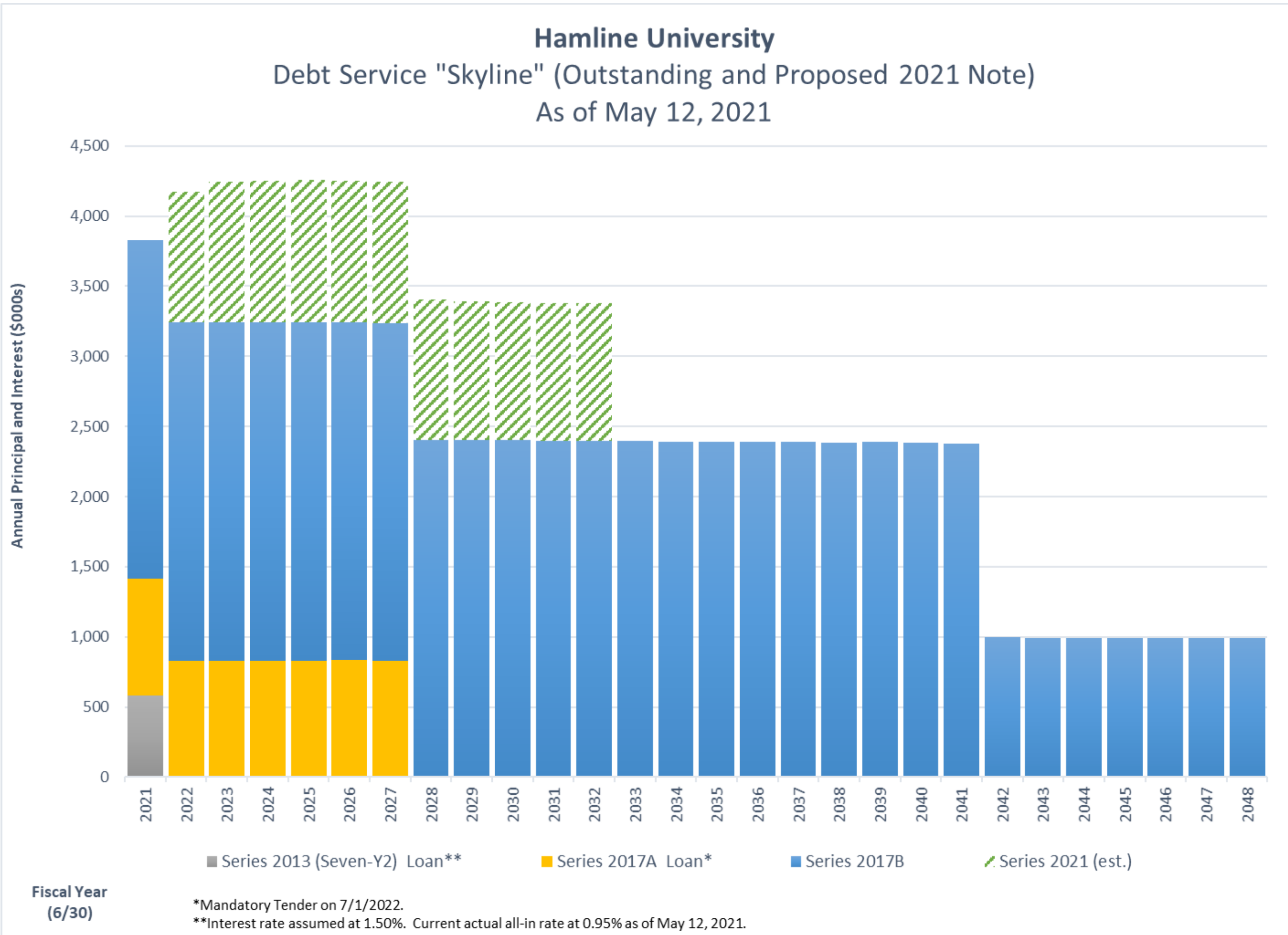
REVENUES AND OTHER ADDITIONS	2020 Without Donor Restrictions	2020 With Donor Restrictions	2020 Total	2019 Without Donor Restrictions	2019 With Donor Restrictions	2019 Total
Tuition and fees, Net of Discount of $42,881,051 in 2020 and $41,500,616 in 2019	$ 55,533	$ -	$ 55,533	$ 55,867	$ -	$ 55,867
Government Grants	5,134	-	5,134	2,674	-	2,673
Contributions	5,573	6,959	12,532	10,853	1,411	12,264
Investment Income, Net	312	(209)	103	393	258	651
Sales and Services of Educational Activities	800	1	801	758	9	767
Other Sources	1,881	89	1,970	4,594	201	4,795
Auxiliary Enterprises	7,119	0	7,119	8,525	2	8,527
Appropriation of Endownment Assetts for Expenditure	765	3,368	4,133	758	3,283	4,041
Net assets released from restrictions	5,160	(5,160)	-	4,249	(4,249)	-
Total Operating Revenues, Gains and Other Support	82,277	5,048	87,325	88,671	915	89,585
EXPENSES						
Instruction	23,639	-	23,639	24,181	-	24,181
Academic Support	10,334	-	10,334	9,873	-	9,873
Research	82	-	82	95	-	95
Public Services	2,559	-	2,559	3,522	-	3,522
Student Services	15,741	-	15,741	13,655	-	13,655
Institutional Support	16,390	-	16,390	15,916	-	15,916
Auxiliary Enterprises	11,803	-	11,803	12,613	-	12,613
Total Operating Expenses	80,548	-	80,548	79,855	-	79,855
Change in Net Assets from Operating Activities	1,729	5,048	6,777	8,816	915	9,730
NONOPERATING ACTIVITIES						
Contributions	45	926	971	69	2,423	2,492
Net Investment Return	3,983	(932)	3,051	3,997	(199)	3,798
Appropriation of Endownment Assets for Expenditures	(4,133)	-	(4,133)	(4,040)	-	(4,040)
Change in Value of Split-Interest Agreements	-	1,057	1,057	-	114	114
Reclassification of Net Assets	103	(103)	-	38	(38)	-
Board Designation Unrestricted Spending	(317)	-	(317)	(211)	-	(211)
Change in Net Assets from Nonoperating Activities	(319)	948	629	(147)	2,300	2,153
Change in net assets	1,410	5,996	7,406	8,669	3,215	11,883
Net Assets beginning of year	61,112	96,979	158,091	52,443	93,764	146,208
Net Assets end of year	$ 62,522	$ 102,975	$ 165,497	$ 61,112	$ 96,979	$ 158,091

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Hamline University (Series 2021)
Date: May 19, 2021
Appendix B

Hamline University
Statements of Financial Position (in thousands of dollars)
As of June 30, 2020 thru 2016

ASSETS	2020	2019	2018	2017	2016
Cash and cash equivalents	$ 5,006	$ 1,990	$ 1,339	$ 2,696	$ 2,087
Restricted cash and cash equivalents	2,643	2,676	3,486	3,696	3,948
Prepaid expenses and other assets	6,877	4,628	3,976	1,378	1,262
Accounts receivable, net	5,951	5,642	4,872	5,277	5,720
Contributions receivable	7,495	10,675	1,126	1,112	1,258
Student Loans Receivable, Net	3,571	4,504	5,630	6,153	6,688
Investments	100,848	97,788	95,099	90,501	83,009
Property, Plant and Equipment, Net	88,014	90,899	93,475	91,967	94,339
Construction in Progress	71	85	517	471	140
Beneficial interest in trust	2,318	1,508	1,628	1,749	1,622
Total Assets	$ 222,794	$ 220,395	$ 211,148	$ 205,000	$ 200,073
LIABILITIES					
Accounts payable and accrued expenses	$ 4,770	$ 5,852	$ 6,531	$ 6,982	$ 7,042
Deposits and Deferred Revenue	2,528	2,467	2,685	3,131	3,616
Annuities and Unitrusts Payable	824	1,198	1,214	1,286	1,492
Perkins Loans Refundable to Government	3,694	5,247	5,092	6,183	7,002
Long-Term Debt	45,482	47,540	49,419	42,367	45,811
Total Liabilities	57,298	62,304	64,941	59,949	64,963
NET ASSETS					
Unrestricted	62,522	61,111	52,443	40,350	38,619
Temporarily restricted	-	-	93,764	36,595	31,914
Permanently restricted	102,975	96,979	-	68,106	64,577
Total Net Assets	165,497	158,090	146,207	145,051	135,110
TOTAL LIABILITIES AND NET ASSETS	$ 222,795	$ 220,394	$ 211,148	$ 205,000	$ 200,073

Minnesota Higher Education Facilities Authority
Application Review Letter from North Slope Capital Advisors
for Financing on behalf of Hamline University (Series 2021)
Date: May 19, 2021
Appendix C



Moody's Issuer Comment

MOODY'S
INVESTORS SERVICE

ISSUER COMMENT
23 April 2021

Rate this Research

RATING

Seniormost Rating [1]

Baa3	Stable

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Hamline University, MN

Annual comment on Hamline

Issuer profile

Hamline University is a moderately sized private, not-for-profit university located in St Paul, MN. In fiscal 2020, Hamline generated operating revenue of $84 million and enrolled 2,737 full-time equivalent (FTE) students as of fall 2020.

Credit overview

Hamline University's (Baa3 stable) credit quality is driven by its good regional brand and favorable urban location within the Twin Cities (Minneapolis Aa1 stable; St. Paul Aa1 stable) metro. Nonetheless, the university has faced persistent enrollment decline over multiple years. The university's operating revenue concentration in net tuition and student fee revenue makes it particularly vulnerable to the effects of enrollment loss. Additionally, pricing power is further limited by the university's focused mission to provide education to first generation students. The university's credit quality, however, is supported by its concerted effort to maintain steady operating cash flows largely through cost containment measures that have improved incrementally over the past five fiscal years. Debt to cash flow compares favorably to the median of similarly rated peers, though total wealth per student remains lower than peers.

Exhibit 1
Hamline University, MN [2]

	2016	2017	2018	2019	2020	Median: Baa rated private universities
Total FTE Enrollment	3,107	3,036	3,055	2,992	2,737	3,032
Operating Revenue ($000)	81,332	80,513	80,724	89,908	83,944	101,185
Annual Change in Operating Revenue (%)	-6.3	-1.0	0.3	11	-6.6	1.5
Total Cash and Investments ($000)	85,096	93,196	96,439	99,778	105,854	162,798
Total Debt ($000)	46,247	42,983	45,901	44,124	42,166	73,259
Spendable Cash and Investments to Total Debt (x)	0.5	0.6	0.6	0.7	0.8	1.3
Spendable Cash and Investments to Operating Expenses (x)	0.3	0.3	0.4	0.4	0.4	1.0
Monthly Days Cash on Hand	74	99	114	108	107	225
Operating Cash Flow Margin (%)	10.0	12.3	12.8	20.3	13.2	11.7
Total Debt to Cash Flow (x)	5.7	4.3	4.4	2.4	3.8	5.5
Annual Debt Service Coverage (x)	1.3	1.6	2.5	4.8	2.8	2.2

Source: Moody's Investors Service

Market profile: Hamline has a good regional brand as the State of Minnesota's (Aa1 stable) oldest private university and offers both undergraduate and graduate programs. Hamline's market, however, is exceptionally competitive, as demonstrated by the university's multi-year enrollment decline and steadily increasing tuition discounting. Beneficially, however, philanthropic support has strengthened, including a large $10 million bequest in fiscal 2019 and a successful fundraising campaign that will bolster the university's unrestricted endowment.

» Hamline's moderate scope of operations at $84 million in fiscal 2020 limits its ability to adjust to revenue downturns, though it has remained relatively level compared with fiscal 2016.

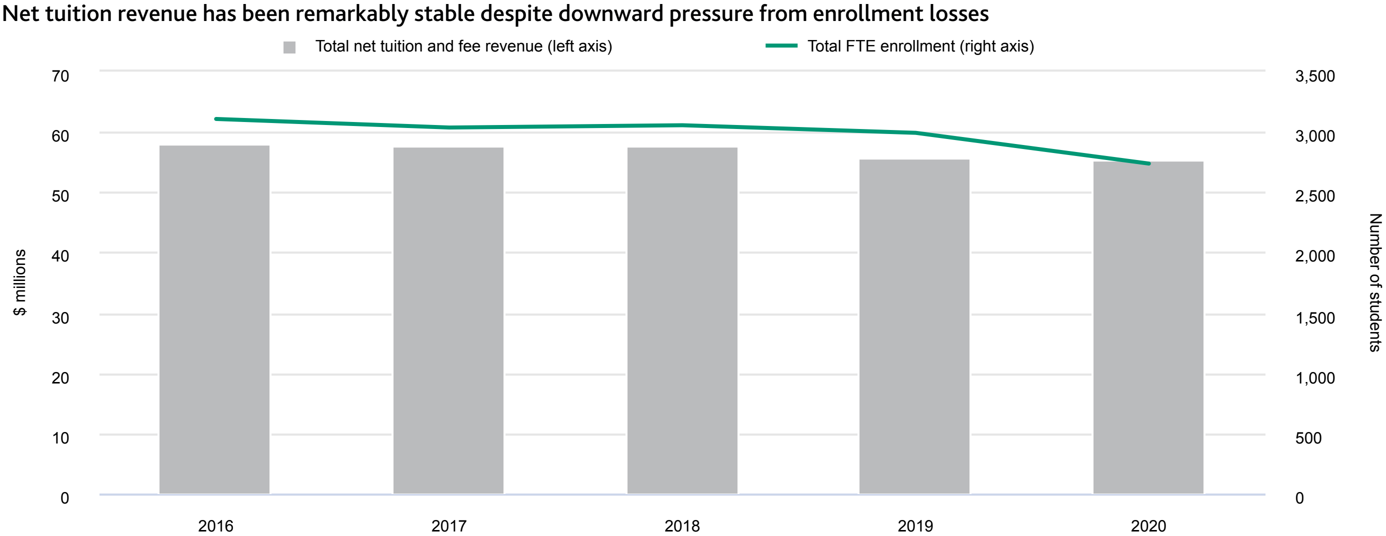
» Enrollment has declined materially by 12% to 2,737 students in fall 2020 from 3,107 students in fall 2016. The decline does denote some weakening student draw, but also reflects the university's discontinuation of its law school.

» Hamline's significant tuition discount has increased modestly to 44% in fiscal 2020 from 39% in fiscal 2016, highlighting a competitive pricing environment. The discount, however, it is in line with the Baa-rated private university median and is expected to remain steady in fiscal 2021.

» Robust philanthropy has driven three-year average gift per student of $4,000, which is stronger than the Baa-rated peer median of $2,700.

Exhibit 2

Net tuition revenue has been remarkably stable despite downward pressure from enrollment losses



2016 enrollment reflects the final year the University included law school students prior to discontinuing the program
Source: Moody's Investors Service

Operating performance: Hamline's operating performance remains strong despite revenue pressure driven by enrollment losses. The university consistently produces balanced operations, resulting in strongly positive operating cash flow margins. Balanced operations have been maintained through the university's concerted cost containment measures, adequately maintaining budget alignment despite waning net tuition revenue. Fiscal 2020 operating results remained robust, aided by ongoing expense adjustments, CARES Act funding, and strong gift support. As of the date of this report, the university reports a positive budget variance for fiscal 2021 and expects to end the year with a similarly strong operating cash flow margin within 10%-13%.

» The university's sound operating cash flow margin of 13% in fiscal 2020 was down from 20% in fiscal 2019 because the fiscal 2019 operations were inflated by an unrestricted bequest. The university trends toward a stable operating cash flow margin, averaging around 10%.

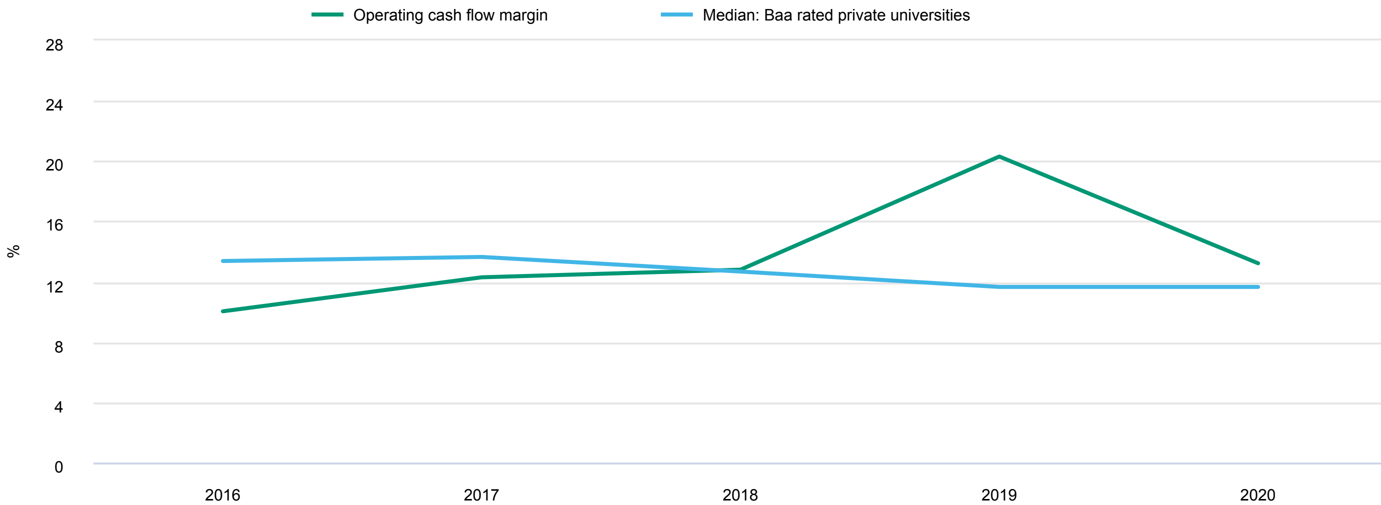
» The university's debt service coverage of 2.8x in fiscal 2020 illustrates the university's ample ability to repay debt from operations and has strengthened from 1.3x in fiscal 2016.

» Hamline's three year average gift revenue has grown significantly by 132% to $11 million in fiscal 2020 compared with $5 million in fiscal 2016, reflecting a large bequest in fiscal 2019 but also captures steady fundraising improvements. The strengthening has a modestly important effect on the university's operating performance, given that 10% of operating revenue is from gift revenue.

» The university's sources of revenue are concentrated with 75% derived from net tuition and fees, which creates moderate risks for the university if the primary revenue stream is pressured.

Exhibit 3

Operating cash flow margins remain generally consistent and in line with peers



The uptick in fiscal 2019 due to a one-time bequest.
Source: Moody's Investors Service

Wealth and liquidity: Hamline's total wealth per student is lower than similarly rated peers, though it has grown owing to the maintenance good operating performance and strong gift support. While unrestricted reserves are moderately narrow compared to operations, Hamline maintains satisfactory liquidity.

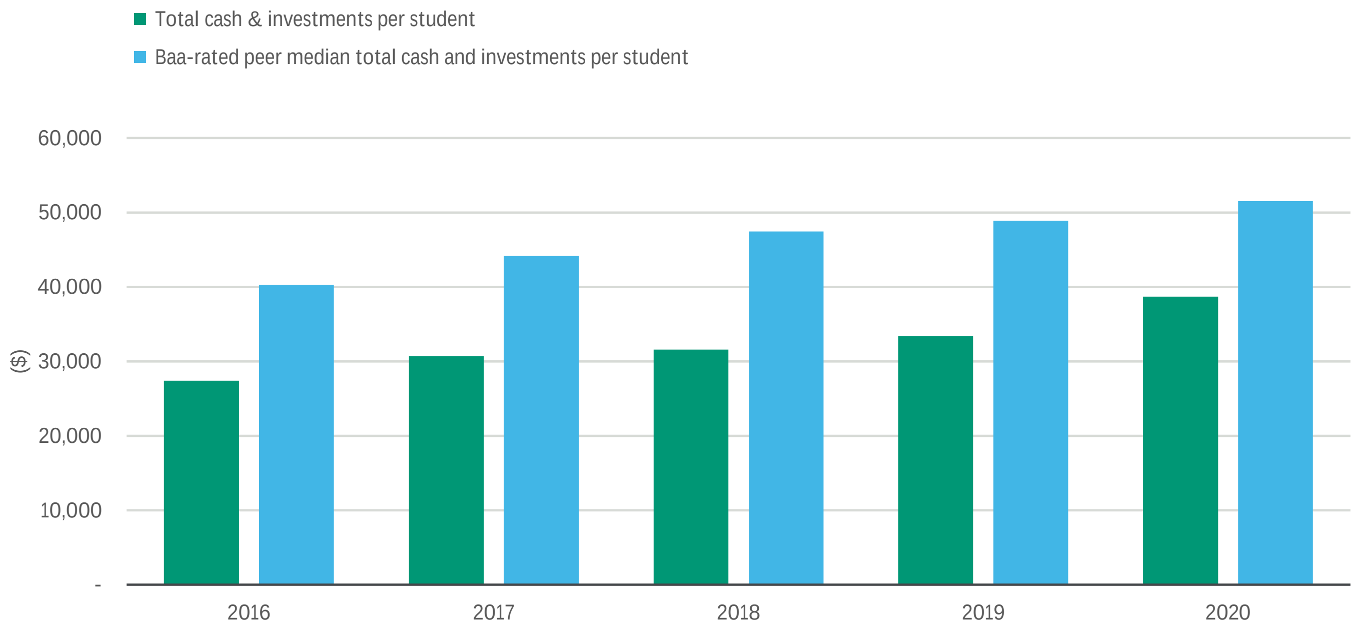
» Total cash and investments have materially grown by 24% to $106 million in fiscal 2020 compared with $85 million in fiscal 2016. Despite the growth, wealth remains lower than similarly rated peers at $38,700 per student, compared to the Baa-peer median of $51,600.

» Spendable cash and investments to operating expenses improved to 0.4x in fiscal 2020 from 0.3x in fiscal 2016 but is well below that of similarly rated peers with median spendable cash and investments to operating expenses of 1.0x.

» Hamline's satisfactory monthly days cash on hand of 107 days in fiscal 2020 has strengthened from 74 days in fiscal 2016.

Exhibit 4

Total wealth per student remains below peers but has been steadily growing



Source: Moody's Investors Service

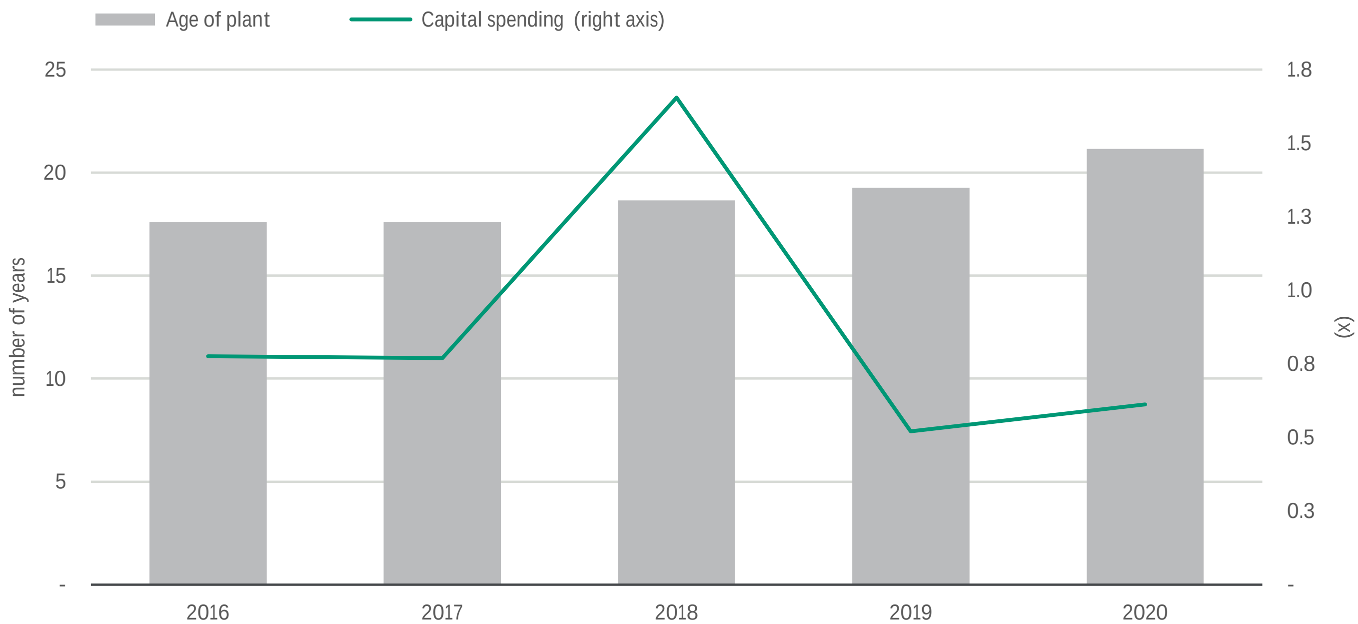
Leverage: The university's leverage is moderate compared to operations and total wealth. Hamline, however, has not invested in capital at a rate sufficient to keep pace with depreciation. Subdued capital spending has driven up the university's age of plant. The university's plan to issue new debt will be offset by the repayment of its 2017A obligation, therefore, leverage is expected to remain manageable.

» Hamline's spendable cash and investments to total adjusted debt of 0.7x in fiscal 2020 has improved from 0.4x in fiscal 2016 and is in line with the Baa-rated private university median.

» The university's debt to cash flow improved to 3.8x in fiscal 2020 from 5.7x in fiscal 2016 and is stronger than the Baa-rated private university median of 5.5x.

» Capital spending is consistently below the level needed to fund depreciation at 0.6x in fiscal 2020. Restrained investment in PP&E has driven an elevated age of plant, at 21.2 years in fiscal 2020, up from 17.6 years in fiscal 2016. The university's age of plant exceeds the Baa-rated private university median of 14.7 years.

Exhibit 5
Capital spending has not kept pace with depreciation driving increasing deferred maintenance



Source: Moody's Investors Service

Sector trends

We have a stable outlook for the US higher education sector as colleges and universities face improved revenue prospects through fiscal 2022. The stable outlook is driven by a combination of factors including the potential for students to return to campus in greater numbers in fall 2021, the funding boost from additional federal support and fiscal stimulus, a steadier outlook for state funding, and strong investment returns. Despite improved prospects overall, the sector still faces significant enrollment uncertainty headed into fall 2021 and increases in revenue from tuition and auxiliaries will vary significantly among institutions and regions. Also, the sector continues to face longer-term demographic changes and shifts in consumer preferences that will continue to constrain revenue growth.

Endnotes

1 The rating referenced in this report is the college's or university's seniormost public rating.

2 Definitions of the metrics in the Key Indicators table are available in the appendices of our most recently published Higher Education medians reports, public university and private university. The appendices also provide additional metrics broken out by sector and rating category. We use data from a variety of sources to calculate the medians, some of which have differing reporting schedules. Median data for prior years published in this report may not match last year's publication because of data refinement and changes in the sample sets used, as well as rating changes, initial ratings, and rating withdrawals. Median data represents the most recent published median data, which in some cases could be from the prior fiscal year.

REPORT NUMBER 1279005

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Moody's INVESTORS SERVICE

MEMORANDUM

TO:	Barry Fick Minnesota Higher Education Facilities Authority
FROM:	Fryberger, Buchanan, Smith & Frederick, P.A.
DATE:	May 12, 2021
RE:	Application of the Trustees of the Hamline University of Minnesota for MHEFA Financing

---

We have reviewed the Application of the Trustees of the Hamline University of Minnesota (the "University"), as owner and operator of Hamline University (the "Institution"), dated April 23, 2021, and have found the Application to be complete and satisfactory, subject to the following:

1. Purpose. The Application relates to financing (i) the refunding of the Authority's Revenue Note, Series Seven-Y2 (Trustees of the Hamline University of Minnesota) (the "Series Seven-Y2 Note"); and (ii) the renovation of Drew Residence Hall and the conversion of the north campus heating system from high pressure steam to low pressure steam (collectively, the "Project").

The Series Seven-Y2 Note was issued to provide funds to be loaned to the University to refund the Authority's Variable Rate Demand Revenue Bonds, Series Six-E2 (Trustees of the Hamline University of Minnesota), dated June 30, 2005 (the "Series Six-E2 Bonds"). The Series Six-E2 Bonds were issued to provide funds to be loaned to the University to finance the renovations, improvements and equipping of the Bush Memorial Library (including plaza repairs and a chiller replacement), the Robbins Science Center, the Drew Fine Arts Center, the Ceramics Studio Building, Sorin Hall and other facilities on the Institution's main campus and the acquisition of, and renovation, improvement and equipping to, the Institution's President's residence and event center (together with Drew Residence Hall and the conversion of the north campus steam heating system, the "Project Facilities").

2. Incomplete Items. The following items required by the Application are missing or incomplete:

(i) Evidence of Title and Survey. No title insurance commitment or title opinion or survey was provided with the Application. The University must provide (a) recent title evidence in the form of a title insurance commitment or attorney's title opinion prior to the bond closing, showing that the University has good title (or other suitable interest) to the Project Facilities; and (b) a survey or other acceptable site diagram of the property on which the Project Facilities are located.

(ii) Financial Covenants and Limitation on Debt. The notes to the University's most recent financial statement sets forth a list of outstanding debt incurred by the

University and include, in addition to the Authority's revenue bonds and notes, two bank lines of credit. The Application lists a lease obligation in connection with the City of St. Paul Taxable Ballpark Lease Revenue Note, Series 2015. Prior to the issuance of the proposed revenue note, the University, its accountant and counsel should examine all prior covenants and provide the Authority with the additional information necessary to demonstrate both current compliance, and whether issuance of the proposed revenue note will cause an event of noncompliance.

3. Establishment of Religion. While the Composite Articles of Incorporation of the University (as amended through June 20, 2008) indicate that 11 of the 40 trustees shall be members, ministerial or lay, of the Minnesota Annual Conference of the United Methodist Church and, in the Application, the University indicates that it receives some support, in the form of gifts, from members of the Minnesota Methodist Churches, the Application contains statements and other items in support of a conclusion that the University is not a "sectarian" or pervasively religious institution, and that the Project Facilities will not be used for religious purposes, in applying the Establishment Clause of the First Amendment to the United States Constitution.

We have been provided a copy of a letter dated March 28, 2002, addressed to the Authority from the Minnesota Annual Conference of the United Methodist Church expressing the position that such Conference does not control the University under civil law and church rule or law. Also, absent control of the University by a sectarian donor, the mere receipt of monetary support does not disqualify the University from eligibility for Authority assistance. Furthermore, the University's institutional documents make it clear that the University's policy is not to discriminate on the basis of creed (or other distinctions) in its admissions, course materials and hiring practices, although the members of the Authority should satisfy themselves that the University in fact continues the nondiscriminatory policies and practices which have been evidenced by the Authority in the past. Under the Supreme Court's guidelines as established by the relevant decisions, the focus on actual practices is as important as the focus on institutional documents. Therefore, the members of the Authority should be satisfied that the University does in fact follow academic freedom in the classroom and non-discrimination practices in faculty and student recruitment, retention and promotion.

On these facts, and under existing judicial interpretation of the Establishment of Religion Clause, we conclude that Authority financing proposed by the University will not violate Establishment of Religion clause limitations.

We note that recent United States Supreme Court decisions in this area, while not directly on point, appear to broaden the permitted scope of public assistance to religious-affiliated educational institutions. Financing such as that provided by the Authority falls well within the permitted limits.

4. $150 Million Limit on Tax-Exempt Non-Hospital Bonds Under Section 145(b) of the Internal Revenue Code. As noted above, the University receives contributions from members of the Minnesota Methodist Churches, and that the Composite Articles of Incorporation of the University indicate that 11 of 40 trustees shall be members, ministerial or lay, of the Minnesota Annual Conference of the United Methodist Church. As noted above, we have been provided a copy of a letter from such Conference regarding lack of control over the University and the amount

of outstanding tax-exempt non-hospital bonds, if the Conference was considered to control the University.

These facts may be significant because Internal Revenue Code Section 145(b), as it existed prior to 1997, limited the aggregate amount of outstanding qualified 501(c)(3) non-hospital bonds from which any 501(c)(3) organization may benefit to $150 million. For purposes of this rule, two or more organizations under common management or control are treated as one organization.

The 1997 amendment to Section 145(b) excludes from the $150 million limit tax-exempt non-hospital bonds issued after August 5, 1997, as part of an issue 95% or more of the net proceeds of which (including issuance costs) are to be used to finance capital expenditures incurred after that date.

The proceeds of the proposed revenue note will be used to refinance the Project Facilities, the capital expenditures of which were incurred after August 5, 1997.

5. Rebate, Two-Year, 18-Month and Six-Month Spend-Down Exceptions. Based on the construction schedule in the Application, the exceptions potentially available for the Project are the 18-month exception and the 24-month exception. Under the 24-month exception, the proceeds of the proposed bonds must be expended within 24 months as determined at the time of closing. The cost of equipment, if any, included in the Project may not exceed 25% of the bond proceeds. If equipment will constitute more than 25% of the bond proceeds (and if the six or 18-month exceptions are not applicable), another category of proceeds can be established which should include proceeds to be spent on equipment within six months of the closing date. Bond Counsel and the Municipal Advisor will work with the University regarding the timing of the proposed bond issue and the construction schedule to determine which, if any, exception will be possible.

The following is a summary of each exception:

a. The Revenue Reconciliation Act of 1989 (the "1989 Act"), as amended by a technical corrections act in 1990, created a two-year exception (the "two year spend-down exception") from the requirement to pay arbitrage rebate for governmental and 501(c)(3) bonds which meet the definition of a "construction issue" – that is, a bond issue for which at least 75% of net proceeds will be expended for "construction expenditures." "Construction expenditures" are costs of construction chargeable to the capital account (other than expenditures for land or existing real property). Construction expenditures include costs of fixtures such as heating, ventilating and air conditioning and costs of equipment depreciated over a period of a year. To comply with this exception, all available construction proceeds of the issue must be spent within two years from the date of closing on the bond issue: 10% within six months, 45% within one year, 75% within 18 months and 95% to 100% within two years with an extension to three years for up to five percent retained from contractors. For the purposes of the proposed bond issue, "available construction proceeds" which must be spent on schedule generally includes investment earnings, but excludes the amounts used to fund a reserve fund and issuance costs. Investment earnings on the reserve fund during the construction period must be spent on schedule for project costs, including interest but not principal on the bonds or, if the

University so elects, must be rebated. Rebate would still be payable on reserve fund investment (to the extent the yield of the investments exceeds the bond yield) after the construction period, but the two year spend-down exception offers potential significant savings. The two-year exception appears to be available for this issue.

b. The 1989 Act also created an exception for proceeds (whether for refunding, equipment or construction) which is spent in six months.

c. Under Treasury Department Regulations, a third exception was created for proceeds, including reasonably expected investment earnings as determined at closing, which are spent within 18 months (six months – 15%, 12 months – 60% and 18 months – 100%), except for a de minimus amount or a reasonable retainage which must be spent within 30 months of the bond closing date. This exception is not limited to construction purposes. On the basis of the time schedule provided by the University, the 18-month exception appears to be available for this issue.

6. Reimbursement Regulations. The Internal Revenue Service has adopted regulations providing rules for determining when an issuer may use bond proceeds to reimburse expenditures made before the bonds are issued. The University can be reimbursed for expenditures paid for a project (as opposed to incurred but not paid) up to 60 days prior to the bond closing, or an earlier declaration of official intent, if applicable. A reimbursement resolution adopted April 27, 2021, was filed with the Application. We will check on the eligibility of expenditures the University desires to reimburse, if any.

The University must use proceeds from a bond issue to reimburse itself for prior expenditures within 18 months from the later of (i) the date that the original expenditure is paid or (ii) the date that an element of the project is placed in service (but in no event more than three years after the original expenditure is paid). "Placed in service" means the date on which the project or facility has reached a degree of completion which would permit its operation at substantially its design level and is in operation at such level. The University should expect to be reimbursed from bond proceeds shortly after the closing.

7. Construction Contracts. At the time of bond closing, the University must be in a position to provide a summary of costs incurred and/or paid to date and a reliable cost estimate for remaining cost for the Project.

8. Use of Facilities by Business Enterprises. If the Project Facilities being financed or refinanced by the revenue note have had or will have use by a private party of such facilities in a trade or business, including a contract with a for-profit private enterprise to provide services in connection with any of the financed facilities, we will need to review the use and/or the contract to ensure compliance with guidelines relating to private use established in the Internal Revenue Code and the regulations promulgated thereunder and in Revenue Procedures 2001-39, 2007-47, 2016-44 and 2017-13 (together, "Private Use Rules"). The University has not described any such activity to be carried on in the Project Facilities, but we think some further inquiry would be prudent to determine whether there is any "private use." Discovery of "private use" may necessitate that the University comply with the change of use rules under the Code or guidelines in the Private Use Rules to preserve tax-exempt financing for the financed facilities.

Section 145(a) of the Internal Revenue Code provides that no more than five percent of the net proceeds of an issue may be used by any person other than a 501(c)(3) organization or governmental unit, or in a trade or business unrelated to the exempt purposes of the University. Even if a service or other management contract, or use of parking or other financed facilities, does not generate unrelated business income for the University, such agreements may constitute “use” of facilities of the University by a private (and nonexempt) entity which could render the revenue notes used to finance the facilities taxable. The Private Use Rules are lengthy and complex and will require careful review and application. The Private Use Rules require that the costs of issuance (a maximum of two percent payable from bond proceeds) to be counted against the five percent limit of private use, leaving only three percent available for other private use.

Subject to certain restrictions, the Private Use Rules would permit parts of the Project Facilities which are “used” by a private entity to be financed by tax-exempt bonds. We will need to examine the intended “use” of the Project Facilities to determine the applicable restrictions.

Any change in use or ownership of the financed facilities or any portion thereof should be undertaken only with advice of Bond Counsel and, in some cases, advance arrangement of “remedial action” under Treasury Regulations Section 1.141-12.

9. Litigation. The Application states there is no pending litigation or claims against the University, except as follows: a former graduate student and resident in the student apartments violated the COVID-19 virus campus-wide face mask policy on repeated occasions in the University’s common areas and student apartments. The student filed a discrimination complaint with the U.S. Department of Housing and Urban Development. HUD has not contacted the University following the receipt of the initial notice. If any additional litigation or claims are hereafter threatened or pending, the University should promptly notify the Authority, the Municipal Advisor and Bond Counsel and provide a description of such litigation or claim.

10. Sinking Fund Proceeds; Replacement Proceeds; Yield Restrictions. The Application states that the funds to pay debt service on the proposed revenue note will be derived from the University’s general operations. While this financing structure is similar to other recent Authority financings and does not appear to raise “sinking fund” concerns, it will nonetheless be necessary to analyze whether any “transferred proceeds” from the bonds being refunded are subject to rebate or yield limitations under Section 148 of the Internal Revenue Code.

The notes to the University’s financial statements indicate that the University at June 30, 2020, had substantial unrestricted, temporarily restricted and restricted assets available for various purposes. The arbitrage regulations adopted by the Internal Revenue Service impose limits on the yield on investments of “gross proceeds” of tax-exempt bonds. “Gross proceeds” include not only the actual proceeds received from the issuance and sale of bonds but also other monies characterized as “replacement proceeds.” Amounts are “replacement proceeds” under the regulations if it is concluded that such amounts would have been used for the governmental purpose for which the revenue note is issued (here, the Project) had proceeds of the revenue note not been used for that governmental purpose. The mere availability or preliminary earmarking of funds for such purposes does not, in itself, necessarily lead to the conclusion that such funds would have been used for the governmental purpose of the revenue note and thus are replacement proceeds. We will confer with the University and its counsel to confirm compliance with the replacement proceeds rules.

The refunding of the Series Seven-Y2 Note will be a current refunding, as the Series Seven-Y2 Note prepayment will occur within 90 days of the date of issuance of the proposed note.

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RESOLUTION RELATING TO APPLICATION FOR
THE TRUSTEES OF HAMLINE UNIVERSITY OF MINNESOTA

BE IT RESOLVED by the Minnesota Higher Education Facilities Authority as follows:

1. The Authority acknowledges receipt on April 23, 2021, of the Application under Sections 136A.25 to 136A.42 Minnesota Statutes, as amended (the "Act") on behalf of the Trustees of the Hamline University of Minnesota, a Minnesota nonprofit corporation (the "University"), as owner and operator of Hamline University (the "Institution"), and exhibits thereto, including an Indemnity Agreement and an application fee in the amount of $1,000, for a proposal relating to (i) refunding of the Authority's Revenue Note, Series Seven-Y2 (Trustees of the Hamline University of Minnesota) (the "Series Seven-Y2 Note"); and (ii) financing the renovation of Drew Residence Hall and the conversion of the north campus heating system from high pressure steam to low pressure steam (collectively, the "Project").

The Series Seven-Y2 Note was issued to provide funds to be loaned to the University to refund the Authority's Variable Rate Demand Revenue Bonds, Series Six-E2 (Trustees of the Hamline University of Minnesota), dated June 30, 2005 (the "Series Six-E2 Bonds"). The Series Six-E2 Bonds were issued to provide funds to be loaned to the University to finance the renovations, improvements and equipping of the Bush Memorial Library (including plaza repairs and a chiller replacement), the Robbins Science Center, the Drew Fine Arts Center, the Ceramics Studio Building, Sorin Hall and other facilities on the Institution's main campus and the acquisition of, and renovation, improvement and equipping to, the Institution's President's residence and event center (together with Drew Residence Hall and the north campus steam heating system, the "Project Facilities").

The Project Facilities described in this resolution are owned and operated by the University and located on its main campus, the principal street address of which is 1536 Hewitt Avenue, St. Paul, Minnesota, except for the University President's residence and event center which is located at 1027 Summit Avenue, St. Paul, Minnesota.

2. As required by Section 147(f) of the Internal Revenue Code, on May 19, 2021, this Authority, at a regular meeting, conducted a public hearing on the proposal to undertake and finance the Project following notice which was published at least 14 days prior to the date of the hearing in a newspaper of general circulation available to residents of the locality where the Project Facilities are located and posted at least 14 days prior to the date of the hearing on the Authority's website, at which public hearing all parties who appeared or who submitted written comments were given an opportunity to express their views with respect to the proposal.

3. Officers of the University have presented to this Authority information concerning the Project, the feasibility of the Project, the financing schedule for the Project and responded to other matters concerning the Project, the Institution and the University.

4. The Executive Director of the Authority, Fryberger, Buchanan, Smith & Frederick, P.A., Bond Counsel, and North Slope Capital Advisors, LLC, Municipal Advisor, have reviewed

the Application and the exhibits thereto, and have recommend that the Authority approve the Application as submitted, subject to the conditions herein set forth.

5. On the basis of the information contained in the Application and its exhibits and orally presented to the Authority and to the Executive Director, Bond Counsel and Municipal Advisor, and on the basis of the recommendations made, the Authority hereby finds and determines that:

(a) The University is a nonprofit corporation and the Institution is an institution of higher education in the state, eligible to be a participating institution of higher education under the Act.

(b) The Project, as described in the Application, is eligible for financing by the Authority pursuant to the Act, and the new money portion of the Project is a "project" under the Act.

(c) The Project Facilities are intended for and will provide for additional educational opportunity to the current and future generations of youth of the state in nonprofit institutions of higher education and will otherwise carry out the purposes and policies of the Act.

(d) The Institution is nonsectarian and does not require or forbid attendance by students or any other persons at religious worship or acceptance of any religious creed and does not promulgate the distinctive doctrines, creeds or tenets of any particular religious sect and all courses of study, including any religion and theology courses, are taught according to the academic requirements of the subject matter and the instructor's concept of professional standards.

(e) The Institution admits students without unlawful discrimination, and does not exclude, expel, limit or otherwise unlawfully discriminate against enrolled students, in accordance with Minnesota Statutes, Section 363A.13.

(f) The Project Facilities are available to the students of the Institution without unlawful discrimination, in accordance with Minnesota Statutes, Section 363A.13.

(g) Issuance of the revenue note by the Authority will not have the primary purpose or effect of advancing religion or interfering with the free exercise of religion and will not provide financing for a facility used or to be used for sectarian instruction or as a place of religious worship or a facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(h) The Project and issuance of a revenue note appear feasible.

6. The Project and the issuance of revenue obligations of the Authority in the maximum aggregate principal amount of $9,725,000, are therefore approved, provided that the University shall furnish any items which are needed to complete the Application or which are

reasonably required by Bond Counsel in order to deliver an unqualified opinion as to the validity of the revenue obligations and tax status of the interest on the revenue obligations.

7. The Executive Director shall direct Bond Counsel and the Municipal Advisor to the Authority to prepare and submit recommendations as to the terms of financing and the forms of a loan agreement and a trust indenture or a loan and note purchase agreement, bond purchase agreement or a note placement agreement or a similar agreement, a mortgage, if any, an official statement or a private placement memorandum, if any, and related documents and resolutions to the Authority and to the University for consideration and approval.

8. The Authority and the University each respectively reserves its right to terminate the Project and the financing thereof under the Act as provided in the Indemnity Agreement.

Adopted: May 19, 2021.

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By ________________________________
Michael D. Ranum, Chair

By ________________________________
Gary D. Benson, Secretary

Approved: __________________________
Governor, State of Minnesota

Date Approved: ______________________

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Minnesota Higher Education Facilities Authority
FY2021 Proposed Adjusted Budget
July 2020 - June 2021

	FY21 Approved Budget	FY21 Proposed Adjusted Budget	Difference
Income			
4010 Annual Fee Income	403,745.38	440,527.94	36,782.56
4020 Application Fee Income	-	2,000.00	2,000.00
4000 Interest Income	36,000.00	36,000.00	-
Total Income	**439,745.38**	**478,527.94**	**38,782.56**
Asset Expenses			
1502 Current Year Asset Acquisition	*7,500.00*	*3,500.00*	*(4,000.00)*
Expenses			
6000 Stipends	3,520.00	3,960.00	440.00
6001 Board Travel	2,500.00	-	(2,500.00)
6002 Communications			
6002.01 Communications - Phones	7,500.00	6,000.00	(1,500.00)
6002.02 Communications - Internet	1,800.00	1,800.00	-
6002.03 Communications - Software	750.00	750.00	-
6002.04 Communications - Website	13,414.00	11,500.00	(1,914.00)
6002.05 Communications - Misc	600.00	400.00	(200.00)
Total 6002 Communications	24,064.00	20,450.00	(3,614.00)
6003 Staff Travel	6,250.00	500.00	(5,750.00)
6004 Office Rent	48,480.72	48,480.72	-
6005 Office Supplies	750.00	500.00	(250.00)
6005.01 COVID-19 Related Expenses	1,000.00	(51.36)	(1,051.36)
6006 Repairs	500.00	-	(500.00)
6007 Printing Expense	2,500.00	1,000.00	(1,500.00)
6008 Periodicals/Memberships	8,000.00	8,000.00	-
6009 Fiscal Consultant Fees	1,000.00	4,000.00	3,000.00
6010 Audit Fees	19,125.00	19,125.00	-
6012 Legal Fees	52,000.00	60,400.00	8,400.00
6013 Insurance Expense	2,000.00	2,000.00	-
6015 Miscellaneous Expense	1,000.00	250.00	(750.00)
6016 Bank Service Charges	3,000.00	3,000.00	-
6017 Conference Expenses	5,000.00	2,500.00	(2,500.00)
6018 Professional Development-Board	-	-	-
6020 Professional Development-STAFF	5,000.00	1,500.00	(3,500.00)
6021 IT			-
6021.01 IT - Managed IT Services	7,800.00	7,800.00	-
6021.02 IT - Software	1,500.00	1,500.00	-
6021.03 IT - Consulting and Training	-	500.00	500.00
6021.04 IT - Misc	500.00	750.00	250.00
Total 6021 IT	9,800.00	10,550.00	750.00
6023 Postage/Delivery Expense	275.00	150.00	(125.00)
6100 Salaries	210,000.00	215,000.00	5,000.00
6101 Fringe Benefits	64,000.00	64,000.00	-
6104 Worker's Compensation	170.00	170.00	-
6107 Office Contract Work	-	13,200.00	13,200.00
6200 Equipment Leases			
6200.01 Equipment Lease - Copier	3,420.00	3,450.00	30.00
6200.02 Equipment Lease - Postage Machine	740.00	740.00	-
6200.03 Equipment Lease - Aquos Board	2,820.00	2,820.00	-
Total 6200 Equipment Leases	6,980.00	7,010.00	30.00
Total Expenses	**484,414.72**	**489,194.36**	**4,779.64**
Net Operating Income	**(44,669.34)**	**(10,666.42)**	**34,002.92**

Plan of Action for Fiscal Year Ending June 30, 2021

Authority's Statutory Mandate:

Assist Eligible Institutions In Financing Facilities In An Efficient and Cost Effective Manner

1. Communicate regularly with eligible institutions to explain tax-exempt debt and Authority services. Provide pre-application guidance. Maintain consistency in financial advisory, bond counsel, corporate trust, rating agency and other professional services. Conduct video visit or on-campus site visit with all borrower schools at least 1 time.

2. Arrange for monthly meetings and special events for the Authority, including possible campus visits. Review use of video conferencing and telephone meetings within the Minnesota Statutory rules.

    - Monthly board meetings have been held successfully via video conference and have had consistently higher attendance by board members than in-person/phone meetings prior to the ability to utilize video conferencing. Additional members of the expanded finance teams for bond issues have been able to attend Authority board meetings with this capability as well. The Executive Director has spoken to State of MN Attorney General counsel urging them to adopt these changes permanently for the post-pandemic environment so as not to lose the benefits and strides that have been gained with this technology.

3. Arrange for an annual conference as continuing education for finance staff from eligible institutions to gather for sharing ideas, experiences, and networking opportunities. The conference may be in whole or in part an in-person event, a webcast, or a video event, depending on circumstances.

    - Based on feedback, the Authority is hoping to host an in-person gathering for the Authority's 50th Anniversary in late fall 2021 when an in-person gathering may be possible rather than provide another virtual event.

4. Provide post-closing education and assistance to borrowers in matters such as tax law compliance, continuing disclosure, investor relations, credit rating and IRS inquiries affecting tax exempt bonds.

- Assisted 10 schools on IRS credit updates, worked with Bethel to resolve accounting issue related to financial covenant compliance, an effort applicable to all MHEFA Borrowers.

5. Arrange for an annual financing conference to bring representatives of eligible institutions, rating agency staff, attorneys, trustees, municipal advisors, institutional investors, and other related professionals together for a ½ day gathering for presentations, networking opportunities and renewing acquaintances. The conference may be in whole or in part an in-person event, a webcast, or a video event, depending on circumstances.

   - Hosted a very successful virtual conference that received significant unsolicited positive feedback from attendees, and a higher attendance than prior in-person conferences. Utilized the Zoom Webinar platform for the first time and walked speakers through a practice session the day before the conference in order to deliver a smooth, glitch-free presentation.
   - Utilized Voom Creative's services to create a professional conference invitation, landing page on the Authority's website, and thank you emails. Voom introduced and the Authority to and set up new digital event software (MailChimp and EventBrite) for delivery and tracking of RSVPs.

6. Conduct a Request for Proposal process to review Municipal Advisor firms and select a team of Municipal Advisors.

   - Selected a roster of Municipal Advisor firms and have used new roster firms for multiple financings in the second half of FY21. Will conclude contract negotiations prior to FYE 6/30/2021 for Municipal Advisors.

7. Prepare and disseminate the annual report of the Authority, including the audited financial statements.

   - Designed and prepared the FY2020 Annual Report in-house, saving the Authority design expense, and delivering the report on-time to the state of MN and borrowers.

8. Prepare a "Capital Commentary" newsletter for each financing as a reference tool for eligible institutions and the Authority.

   - Completed and posted on Authority website.

9. Stay informed on industry developments and operational practices through affiliations with government issuers and regulatory agencies, trade organizations and nonprofit organizations

such as the National Association of Health and Educational Facilities Finance Authorities and the National and Central Association of College and University Business Officers.

- Continue work as Vice President of NAHEFFA and added responsibility for GFOA and MSRB with 2nd year as member of MSRB Compliance Advisory Group.

10. Monitor regulatory and legislative proposals at the state and federal level regarding the capital market and possible limitations on the use of tax-exempt debt, develop coordinated responses and keep borrowers informed. Provide input and commentary as appropriate to affiliated entities.

    - Continued work in this area has been facilitated by membership on GFOA and MSRB and NAHEFFA bodies.

11. Update MHEFA staff job descriptions consistent with Minnesota Management and Budget guidelines (every three years).

    - Executive Director job description updated. Operations Manager job description to be updated once status of expansion effort in current legislative session is known.

12. Expand staff cross-training on critical Authority items to bolster the Authority's continuity plan and create a more seamless transition should immediate needs arise, such as during an extended absence that is planned or unplanned or a pandemic.

    - Cross-training is beginning and will continue on essential items to be covered by Executive Director during Operation Manager's maternity leave. A temporary replacement for the Operations Manager will be trained on essential duties, with the Executive Director as a back-up for many duties.

13. Begin development of a Succession Plan for Authority staff.

14. Develop a strategy to identify, cultivate, recruit and recommendations for appointment of Board Members.

    - Board Diversity and Inclusion Subcommittee created and utilized to identify candidates for appointment of new Board Members.

15. Monitor and modify as appropriate the new Minnesota Higher Education Facilities Authority website. Develop criteria to monitor usage to enhance the utility of the website for Authority Borrowers, market professionals and the investing public. Continue working with Voom to adjust website based on user feedback. Continue to work with BondLink to maintain and

adjust the MHEFA Investor Relations website, based on user feedback, which will include public information and documents for each school as a "one stop shop" for investors.

- Working with Voom Creative, the Authority launched a 50th Anniversary webpage and a professionally designed event page for the Authority conference.
- Updated website recently won a National Award for design, graphics, ease of use and information provided.
- Working with BondLink, the Authority had its first financing utilizing the Authority's BondLink investment site and recorded and posted its first recorded investor presentation for the St. Olaf Series 2021 financing. This financing had record-breaking results with over $1 billion in orders during the sale of the bonds.
- The Authority meets with BondLink monthly to ensure the website is updated appropriately and to learn about new features offered by BondLink that may be of service to the Authority and its borrowers.

16. Annual Fee updates & changes, coordinate with annual Operating Budget update and monitoring.

- Done for FY2021, maintaining discount rate at a steady level for consistency and allowing for better budget planning by schools. In process for FY2022.

17. Continue to assess status of record retention and disposal of official records and access for business continuity purposes.

- Authority staff have transitioned to all computerized records, no longer needing physical documents. For the Macalester 2021 financing, electronic signatures were utilized (approved by the Macalester 2021 Bond Counsel), increasing speed and efficiency.

18. Work with Building ownership to review Lease and Options as Building Owners determine "best use" for the building. Identify long term workspace needs and future flexibility to attract and retain qualified staff. Plan for alternative office space needs of the Authority, taking into consideration the benefits and costs of allowing staff to work remotely on a semi or full-time basis. Current Lease at 380 Jackson Street, Suite 450 (Cray/Galtier Plaza) ends November 30, 2022, with a 3-year extension at the option of the Authority.

- Based on construction disturbance and the Authority staff's ability to work remotely in a highly effective manner, Authority staff will begin looking for new office space upon the Operation Manager's return from maternity leave in late fall 2021. The Authority will likely seek to come to an agreement with current building management for an early exit from the Authority's lease (currently ending November 30, 2022). The Authority plans to utilize Calhoun Commerical, or another such firm, to find new suitable office space. This new office space may also be outside of the city of St. Paul. Authority staff plan to work primarily remotely going forward. This new office space will likely be a reduced size, with no dedicated board meeting space, as several metro-area schools have offered to host the Authority's board meetings on an ongoing basis.

19. Review and revise Authority operating procedures for updates due to new technology, pandemic environment, continuity of operations, alternative work locations, and review and update best practices to maintain a safe and healthy work environment and health of employees.

- The Operations Manager and Executive Director have been working to go through the Authority's outdated operating procedures, including preparing a resolution (passed) to update the Authority's bylaws for the first time since 1993. Authority Staff continue to go through each section of the Standing Rules of Operation and reclassify sections and propose updates based on current and best practices.

20. Implement a new phone solution for the Authority, taking into consideration new and changing needs of the Authority.

- The Authority successfully implemented a new Voice Over IP (VOIP) phone system through Loffler that allows Authority staff to have desk phones at home, answer calls from their cell phones, or from their computers. The system also includes a video conferencing feature that is utilized for Authority board meetings and other Authority meeting needs.

Resolution No. 05-2021-__

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION UNDER MANAGERIAL PLAN 2019-2021

FOR ACHIEVEMENT AWARDS 2020-2021

WHEREAS, the Managerial Plan establishing compensation, terms and conditions of employment for employees identified by the Minnesota Management & Budget (“MMB”) as “managerial” applies to the two-year period that began on July 1, 2019 and ends on June 30, 2021 (“Existing Plan”).

WHEREAS, on June 20, 2012, the Authority adopted the Policy on Achievement Awards in accordance with MMB guidelines.

WHEREAS, on May 19, 2021, the Authority reviewed the overall performance of Barry W. Fick, Executive Director and his review of Amanda Lee, Operations Manager, based upon their work to maintain the Authority’s level of service during the COVID-19 pandemic and progress on the Authority’s Plan of Action for the fiscal year ending June 30, 2021.

WHEREAS, the Authority has determined that each Manager has contributed to progress of the Plan of Action in his or her capacity as Executive Director or Operations Manager.

WHEREAS, the Authority has determined that each Manager has consistently excelled in the performance of his or her respective job duties and the overall evaluation of the performance review of each Manager is “outstanding” as contemplated by the Policy.

BE IS RESOLVED as follows:

1. Barry Fick is eligible for the achievement award and is granted a lump sum award of $1,000 for the fiscal year ending June 30, 2021.

2. Amanda Lee is eligible for the achievement award and is granted a lump sum award of $1,000 for the fiscal year ending June 30, 2021.

Adopted: May 19, 2021

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

By ________________________________

Michael Ranum, Chair

By ___________________________________

Gary Benson, Secretary

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY FY 2022 TENTATIVE MEETING SCHEDULE THIRD WEDNESDAY OF EACH MONTH AT 2:00 PM	
	July 21, 2021
	August 18, 2021
	September 15, 2021
Possible Board Recognition/Strategic Planning Dinner Amanda Lee most likely to return from maternity leave just prior to this meeting	October 20, 2021
	November 17, 2021
	December 15, 2021
	January 19, 2022
	February 16, 2022
	March 16, 2022
MHEFA Annual Conference/Meeting	April 20, 2022
	May 18, 2022
	June 15, 2022

The current plan for FY2022 is that meetings will be held on college campuses around the metro area.
As of May 12, 2021, the campuses for each meeting are TBD.

Plan of Action for Fiscal Year Ending June 30, 2022

Authority's Statutory Mandate:

Assist Eligible Institutions In Financing Facilities In An Efficient and Cost Effective Manner

1. Communicate regularly with eligible institutions to explain tax-exempt debt and Authority services. Provide pre-application guidance. Maintain consistency in financial advisory, bond counsel, corporate trust, rating agency and other professional services. Conduct video visit or on-campus site visit with all borrower schools at least 1 time.

2. Arrange for monthly meetings and special events for the Authority, including possible campus visits. Review & advocate for continued use of video conferencing and telephone meetings within the Minnesota Statutory rules or by working with appropriate parties to update and adjust rules to allow video meetings.

3. Arrange a 50th Anniversary celebration for the Authority, subject to any limiting circumstances due to COVID-19 or other state mandates or situations.

4. Provide post-closing education and assistance to borrowers in matters such as tax law compliance, continuing disclosure, investor relations, credit rating and IRS inquiries affecting tax exempt bonds.

5. Arrange for an annual financing conference to bring representatives of eligible institutions, rating agency staff, attorneys, trustees, municipal advisors, institutional investors, and other related professionals together for a ½ day gathering for presentations, networking opportunities and renewing acquaintances. The conference may be in whole or in part an in-person event, a webcast, or a video event, depending on circumstances.

6. Prepare and disseminate the annual report of the Authority, including the audited financial statements.

7. Prepare a "Capital Commentary" newsletter for each financing as a reference tool for eligible institutions and the Authority.

8. Stay informed on industry developments and operational practices through affiliations with government issuers and regulatory agencies, trade organizations and nonprofit organizations such as the National Association of Health and Educational Facilities Finance Authorities and the National and Central Association of College and University Business Officers.

9. Monitor regulatory and legislative proposals at the state and federal level regarding the capital market and possible limitations on the use of tax-exempt debt, develop coordinated responses and keep borrowers informed. Provide input and commentary as appropriate to affiliated entities.

10. Update MHEFA staff job descriptions consistent with Minnesota Management and Budget guidelines (every three years).

11. Expand staff cross-training on critical Authority items to bolster the Authority's continuity plan and create a more seamless transition should immediate needs arise, such as during an extended absence that is planned or unplanned or a pandemic.

12. Continue development of a Succession Plan for Authority staff.

13. Increase focus, develop strategy and identify resources to help with the identification and recruitment of Board candidates to enhance the diversity and inclusiveness of Board members.

14. Monitor and modify as appropriate the new Minnesota Higher Education Facilities Authority website. Continue working with Voom to adjust website based on user feedback. Continue to work with BondLink to maintain and adjust the MHEFA Investor Relations website, based on user feedback, which includes public information and documents for each school as a "one stop shop" for investors.

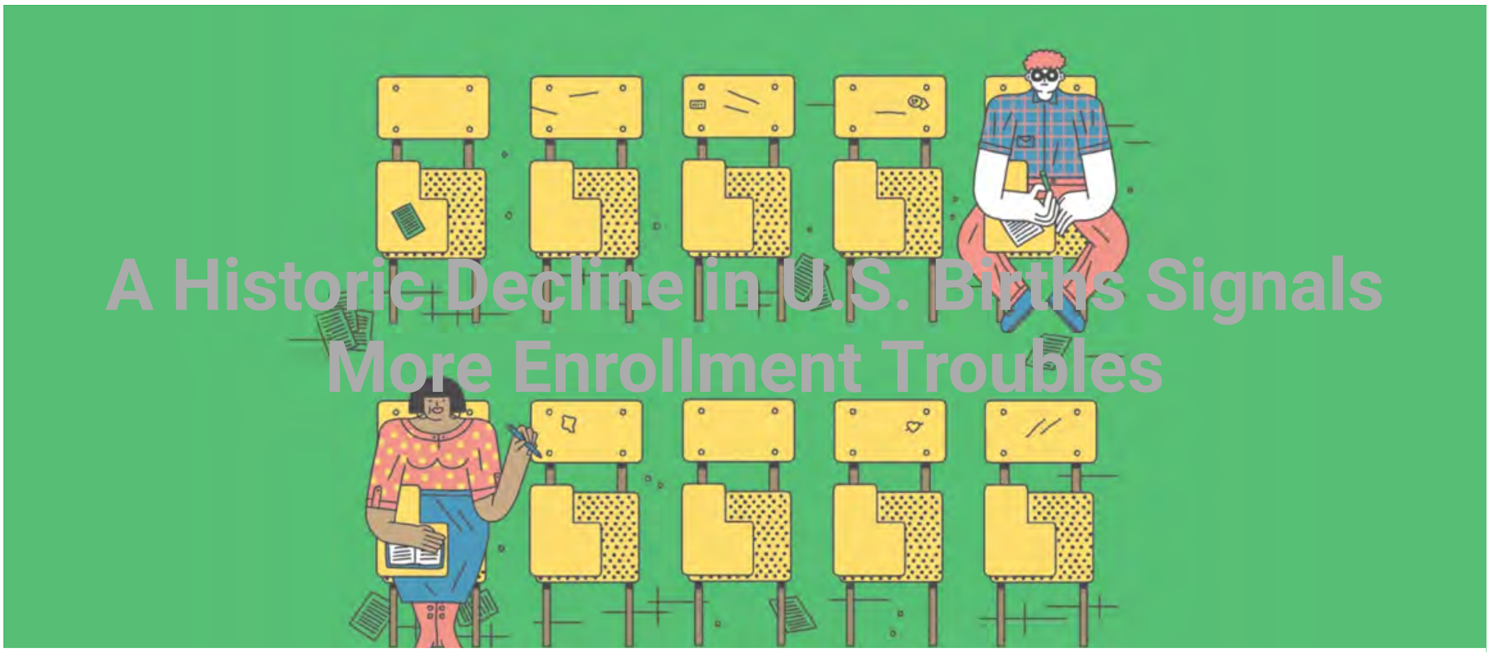
15. Annual Fee updates & changes, coordinate with annual Operating Budget update and monitoring.

16. Continue to assess status of record retention and disposal of official records and access for business continuity purposes.

17. Continue to review and bring forward recommended revisions to the Board of the Authority's Standing Rules of Operation as processes change.

18. Discuss the possibility of an early lease termination with the Authority's current building management. Identify new office space needs and secure a new Authority office based on updated needs including staff's ability to continue working remotely, the need for some physical office space to house Authority property and documents, and the ability of Authority borrower schools to host monthly Authority board meetings. Current Lease at 380 Jackson Street, Suite 450 (Cray/Galtier Plaza) ends November 30, 2022, with a 3-year extension at the option of the Authority.

THE CHRONICLE OF HIGHER EDUCATION



A Historic Decline in U.S. Births Signals More Enrollment Troubles

CRISTINA SPANÒ FOR THE CHRONICLE

ENROLLMENT

By Megan Zahneis

MAY 7, 2021

Already bracing for an enrollment crash expected to hit in 2025, higher education got more bad news this week: The U.S. birth rate fell 4 percent in 2020, marking the lowest number of births since 1979 and the sixth consecutive year of declining birth rates, according to a report released this week by the National Center for Health Statistics.

Once that "demographic cliff" hits, the new data show, it won't let up for more than a decade; babies born in 2020 won't reach traditional college-going age until 2038. So enrollment managers who have already spent years stressing about declining birth rates and high-school graduation rates — some of the effects of which are already visible — should brace for the long haul, said Nanci Tessier, senior vice president at the Art & Science Group, a higher-education consulting firm.

“What’s clear is that the years ahead are not going to be any easier,” said Tessier, who has worked as a chief enrollment officer at three institutions. “It’s just going to be more and more challenging for colleges and universities to be able to fill their seats.”

Birth rates could drop even further when 2021 data are tabulated, factoring in babies conceived during the pandemic, said Nathan D. Grawe, a professor of economics at Carleton College whose 2018 book *Demographics and the Demand for Higher Education* awoke many colleges to the coming enrollment threat. (Since Covid-19 didn’t affect day-to-day life in the United States until March 2020, most data from that year don’t account for the pandemic.) “In some sense, we came by this number honestly,” Grawe said. “You can’t simply dismiss it as, Well, perhaps this is a transient effect of of the pandemic,” Grawe said.

Grawe points to a June 2020 projection by Melissa S. Kearney, a nonresident senior fellow at the Brookings Institution, and Phillip B. Levine, a professor of economics at Wellesley College, of 300,000 to 500,000 fewer U.S. births in 2021 because of the pandemic and corresponding economic recession. (Kearney and Levine later wrote that the lower end of their range was more likely to be the case.) “If they’re right,” Grawe said, “we’re going to look back on this report next year and we’re going to say, Boy, that was a good time.”

So any college official crossing her fingers that the 2025 enrollment bust is a blip on the radar should think again. “We can’t be looking at this as something where we just need a temporary fix,” Grawe said. “We need to be thinking about fundamentally and foundationally transforming who we reach through access, but also how well we support student success so that we retain the students that we do recruit.”

RECOMMENDED READING

ATHLETICS

Northwestern U. Cheerleader Sued an Athletics Official. Now Faculty and Students Are Protesting His Promotion.

ADVICE

What Will Weary Faculty Members Need Post-Pandemic?

An Enduring Challenge

Demographic data from the 1970s and 1980s offers a useful lesson, said Todd Rinehart, president of the National Association for College Admission Counseling. Colleges countered low birth and high-school graduation rates by enrolling more women, buoying their enrollment numbers despite the demographic shift.

“That’s kind of a page we can steal out of that playbook moving forward,” said Rinehart, who is also vice chancellor for enrollment at the University of Denver. This time around, raising college-going rates for low- and middle-income students, and students of color — especially Latina/o and Black students — will be crucial to maintaining enrollment numbers, he said.

“We didn’t just suddenly wake up and have this problem,” Rinehart said. “We’ve had a number of years to prepare, we have a number of years to continue to prepare as far as changing our campuses, changing even our academic programs to be more relevant for these future students.”

Minority- and Hispanic-serving institutions can offer a template for doing so, said Jennielle Strother, vice president for student development and enrollment management at Concordia University Texas. As they work to improve college access, leaders of predominantly white institutions should start conversations with their peers at MSIs, HSIs, and historically Black institutions, and "start listening before they start doing," Strother said. She has seen that happening particularly in the past year, as the pandemic and racial injustice have prompted more discussions about equity and access.

Whether minority-serving institutions will — or should — bear the brunt of the responsibility for helping bridge the enrollment gap is an open question, Strother said. "Are they going to be able to pull that weight? I think they would love to," she said of MSIs. "They do this work well, but they need help, and they need support, and they need funding."

State and federal governments can play important roles in helping ameliorate the effects of a baby bust on higher education, in part by giving more money to MSIs, which are chronically underfunded, Strother said. Doubling the dollar amount of Pell Grants and offering free tuition at community colleges, two policies the Biden administration is promoting, could help lift college-going rates among low-income students and students of color and level out the demographic declines, Rinehart added. (According to the data from the National Center for Health Statistics, birth rates dropped in 2020 for women of every race and ethnicity.)

So that 4-percent drop, which is easy to read as a symbol of doom and gloom, might not be as devastating as it seems, Rinehart said. "Most of us really see this as an opportunity, that this is our time to really change who goes to college in the United States."

Still, with a smaller pool of college-age students, Tessier said, competition for them will only stiffen. Wealthy, selective colleges won't see a drop in demand, she said, leaving questions about how smaller, regional institutions will fare, and whether they'll be able to stake out a position in the market that sets them apart from their peers.

That means colleges should shift their focus away from "tactical" measures to increase short-term enrollment and onto a more holistic view of the educational experience they offer. "If you're not looking hard at what it is that you're offering students, and you think you can market your way out of this, you just can't," Tessier said.

We welcome your thoughts and questions about this article. Please email the editors or submit a letter for publication.

ADMISSIONS & ENROLLMENT

Megan Zahneis

Megan Zahneis, a staff reporter for *The Chronicle*, writes about graduate-student issues and the future of the faculty. Follow her on Twitter at @meganzahneis, or email her at megan.zahneis@chronicle.com.

Minnesota Higher Education Facilities Authority

Budget vs. Actuals: FY2021 Budget (original) - FY21 P&L

July 2020 - June 2021

	TOTAL				
	ACTUAL	BUDGET	REMAINING	% OF BUDGET	% REMAINING
Income					
4010 Annual Fee Income	892,670.11	403,745.38	-488,924.73	221.10 %	-121.10 %
4020 Application Fee Income	1,000.00		-1,000.00		
Discounts given	-556,890.43		556,890.43		
Total Income	**$336,779.68**	**$403,745.38**	**$66,965.70**	**83.41 %**	**16.59 %**
GROSS PROFIT	**$336,779.68**	**$403,745.38**	**$66,965.70**	**83.41 %**	**16.59 %**
Expenses					
6000 Stipends	2,915.00	3,520.00	605.00	82.81 %	17.19 %
6001 Board Travel		2,500.00	2,500.00		100.00 %
6002 Communications	17,704.96	24,064.00	6,359.04	73.57 %	26.43 %
6003 Staff Travel	241.61	6,250.00	6,008.39	3.87 %	96.13 %
6004 Office Rent	44,440.66	48,480.72	4,040.06	91.67 %	8.33 %
6005 Office Supplies	392.14	1,750.00	1,357.86	22.41 %	77.59 %
6006 Repairs		500.00	500.00		100.00 %
6007 Printing Expense	757.05	2,500.00	1,742.95	30.28 %	69.72 %
6008 Periodicals/Memberships	5,354.99	8,000.00	2,645.01	66.94 %	33.06 %
6009 Fiscal Consultant Fees	3,700.00	1,000.00	-2,700.00	370.00 %	-270.00 %
6010 Audit Fees	19,125.00	19,125.00	0.00	100.00 %	0.00 %
6012 Legal Fees	25,226.10	52,000.00	26,773.90	48.51 %	51.49 %
6013 Insurance Expense		2,000.00	2,000.00		100.00 %
6015 Miscellaneous Expense	171.00	1,000.00	829.00	17.10 %	82.90 %
6016 Bank Service Charges	2,344.34	3,000.00	655.66	78.14 %	21.86 %
6017 Conference Expenses	2,076.03	5,000.00	2,923.97	41.52 %	58.48 %
6020 Professional Development-STAFF	1,057.00	5,000.00	3,943.00	21.14 %	78.86 %
6021 IT	7,339.14	9,800.00	2,460.86	74.89 %	25.11 %
6023 Postage/Delivery Expense	32.59	275.00	242.41	11.85 %	88.15 %
6100 Salaries	162,892.74	210,000.00	47,107.26	77.57 %	22.43 %
6101 Fringe Benefits	47,703.53	64,000.00	16,296.47	74.54 %	25.46 %
6104 Worker's Compensation	170.00	170.00	0.00	100.00 %	0.00 %
6200 Equipment Leases	5,922.48	6,980.00	1,057.52	84.85 %	15.15 %
Total Expenses	**$349,566.36**	**$476,914.72**	**$127,348.36**	**73.30 %**	**26.70 %**
NET OPERATING INCOME	**$ -12,786.68**	**$ -73,169.34**	**$ -60,382.66**	**17.48 %**	**82.52 %**
Other Income					
4000 Interest Income	29,547.62	36,000.00	6,452.38	82.08 %	17.92 %
4050 Unrealized Gain/Loss Adjustment on Sale	-5,244.39		5,244.39		
Total Other Income	**$24,303.23**	**$36,000.00**	**$11,696.77**	**67.51 %**	**32.49 %**
Other Expenses					
Other Miscellaneous Expense	3,346.71	7,500.00	4,153.29	44.62 %	55.38 %
Total Other Expenses	**$3,346.71**	**$7,500.00**	**$4,153.29**	**44.62 %**	**55.38 %**
NET OTHER INCOME	**$20,956.52**	**$28,500.00**	**$7,543.48**	**73.53 %**	**26.47 %**
NET INCOME	**$8,169.84**	**$ -44,669.34**	**$ -52,839.18**	**-18.29 %**	**118.29 %**

Minnesota Higher Education Facilities Authority

Budget vs. Actuals: FY2021 Budget (original) - FY21 P&L

July 2020 - June 2021

Note

Note, budget to actual run after Rent and Phone billing checks were cut for May. So this budget to actual is as of the end of April, but also includes May office rent and phone billing expenses (6004: $4040.06 and 6002-01: $187.26). To truly see April month end, these amounts should be removed from the "actual" amounts for those accounts.