

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Item

1. FINANCING WORKING CAPITAL EXPENDITURES

Governor: Authorize WHEFA to finance working capital needs of any participating institution, participating educational institution, participating nonprofit institution, or participating research institution in an amount not to exceed that approved by the members of the Authority. Specify that bonds issued for this purpose would not be exempt from taxation under current law exemptions under the state's individual, corporate, and insurance company taxes.

Funds for projects financed by WHEFA are obtained through the sale of revenue bonds of WHEFA. Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. No state or other public funds are used. The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. Under current law, the Authority may issue bonds or make loans to participating health institutions, educational institutions, and nonprofit or research institutions, primarily for capital projects such as the acquisition or expansion of a hospital or to refinance outstanding debt

Joint Finance/Legislature: Provision not included.