

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Items

1. STAFF SALARY DETERMINATION

Governor: Eliminate current salary caps for Wisconsin Health and Educational Facilities Authority (WHEFA) staff.

Current law requires the Authority to appoint an executive director and associate executive director who are not members of the Authority and who serve at the pleasure of the Authority and specifies that these directors receive compensation set by the Authority, except that the compensation of the executive director is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 6 (currently \$165,100 annually) and the compensation of each other employee of the authority is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 3 (currently \$131,000 annually). The Executive Budget Book indicates that this provision is intended to improve recruitment and retention.

[Bill Section: 2542]

2. FINANCING WORKING CAPITAL EXPENDITURES

Governor: Authorize WHEFA to finance working capital needs of any participating health institution, educational institution, and nonprofit or research institution in an amount not to exceed that approved by the Authority. Specify that bonds issued for this purpose would not be exempt from taxation under current law exemptions for Authority bond issues of under \$35 million under the state's individual income, 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.

[Bill Sections: 2543 and 2544]