

State of Michigan
Department of Treasury

Michigan Public Educational Facilities

Annual Report
2004

Michigan Public Educational Facilities Authority

Authority Mission Statement

The Michigan Public Educational Facilities Authority is dedicated to providing opportunities for low cost financing and technical assistance for (i) qualified public educational facilities and (ii) public school academies through its bonding and loan programs.

The Authority Finance Division as part of the Bureau of Bond Finance provides financial and administrative support services on behalf of the Authority to assist with achieving these goals.

Bureau of Bond Finance Mission Statement

The Bureau of Bond Finance will achieve and maintain access to the financial market at the lowest cost of the citizens of Michigan on behalf of:

- Hospitals and their patients
- Higher education students and their families
- Private colleges and their students
- Public school academies and their students
- Public schools and their taxpayers
- Municipalities and their taxpayers
- The State-at-large for environmental, recreational, and other specific-voter approved projects
- The State for cash flow financing for operating purposes.

Vision

- We are committed to fair, consistent, and courteous customer service.
- We have the training, technology, and tools to meet customer needs.
- We provide low-cost financing in order for cities and communities to be magnets for economic opportunities, with high quality education and healthcare.
- We are a division where public service and service to others is exalted.

Values

- Integrity: Michigan's schools, colleges, universities, municipalities, and healthcare providers; along with bond counsel, financial advisors, and underwriters know that they can depend upon the Authority Finance Division to follow through on their commitments.
- Excellence: The Authority Finance Division is committed to providing increasingly effective, low-cost financing to protect the interests of the citizens of Michigan.
- Teamwork: The Authority Finance Division will work together to provide effective, low-cost financing to Michigan's schools, colleges, universities, municipalities, and healthcare providers.
- Pride: In our achievements.

MPEFA Authority Members

The Michigan Public Educational Facilities Authority is comprised of five members. The Governor with the advice and consent of the Senate appoints four members, and the State Treasurer serves as member by virtue of the appointed office. Of the four appointees, no more than two shall be members of the same political party. All members of the Authority are appointed for four-year terms and serve without compensation but are entitled to reimbursement of expenses incurred in the performance of their duties under the Act. The present membership of the Authority is as follows:

Mark Burzych, Chair

Eldon G. Hancock

Timothy A. Hoffman

Ganesh Reddy

Jay B. Rising, State Treasurer

Michigan Public Educational Facilities Authority

The Michigan Public Educational Facilities Authority (MPEFA) was created in 2002 when it became apparent that a unique, one-stop service center for school facilities that require uncommon mechanisms in order to obtain financing was necessary. The three main reasons being:

1. The complexity of a new federal program, the Qualified Public Educational Facilities (QPEF) Bond Program;
2. The additional attention needed to assist public school academies; and
3. The ever-growing need to utilize non-traditional means to meet Michigan schools infrastructure needs.

Financing is a challenge to most public schools, for public school academies there are additional challenges to securing financing without access to local property tax. MPEFA is dedicated to providing opportunities for low cost financing for Michigan's Public School Academies.

The State Aid Note for Public School Academies provides PSAs the access to financial mechanisms utilized by traditional school districts. This program is designed specifically for PSAs and offers a simplified borrowing process to fund short-term cash flow needs for operating purposes.

In 2004 the MPEFA financed two Note Issues; August 20, 2004 and October 28, 2004. The issues are summarized below:

	<u>Michigan Region</u>	<u>Academy</u>	<u>Loan Amount</u>
August 20, 2004			
SouthCentral	1	Arts Academy in the Woods	\$313,000
	2	Colin Powell Academy	\$300,000
	3	El-Hajj Malik El-Shabazz Academy	\$200,000
	4	Sankofa Shule Public School Academy	\$230,000
SouthEast	5	Ben Ross Public School Academy	\$600,000
	6	Casa Richard Academy	\$120,000
	7	Detroit Academy of Arts and Sciences	\$9,500,000
	8	Detroit Edison Public School Academy	\$1,000,000
	9	King Academy	\$125,000
	10	Nataki Talibah Schoolhouse of Detroit	\$227,376
	11	YMCA Service Learning Academy	\$1,800,000
SouthWest	12	Creative Montessori Academy	\$800,000
	13	Sunrise Education Center	\$200,000
	14	West MI Academy of Environmental Science	\$800,000
			\$16,215,376
October 28, 2004			
SouthEast	1	Holly Academy	\$3,750,000
2004 Total			\$19,965,376