

March 2, 2021, Princeton, New Jersey – The New Jersey Educational Facilities Authority had a very successful year in 2020, working with its client institutions to meet their needs; modernizing its services and practices; overcoming technological hurdles created by a shift to virtual operations; and facilitating important statewide grant programs.

Meeting College and University Financing Needs

In 2020, the Authority worked with five of its client institutions to issue seven series of bonds. With approximately \$543 million in total par value of financings, 2020 became the 13th largest issuance year in Authority history. The Authority also set a record for its single largest new money transaction: Stevens Institute of Technology's 2020 Series A issuance of \$174,315,000. This transaction also represented the first time that the Authority has issued "green bonds" for a client and one of the first Green Bond higher education issuances in New Jersey.

Institution	Project/Purpose	Par Amount	Closing Date
Stockton University <i>Series 2020 A</i>	Acquisition of a currently leased residence facility	\$5,935,000	2/12/2020
Stevens Institute of Technology <i>2020 Series B</i>	Various capital improvements to campus facilities	\$26,485,000	2/12/2020
Stevens Institute of Technology <i>2020 Series A</i>	Various capital improvements to campus facilities	\$174,315,000	3/11/2020
Seton Hall University <i>2020 Series C</i>	Various capital improvements to campus facilities	\$33,205,000	6/18/2020
Seton Hall University <i>2020 Series D</i>	Various capital improvements to campus and athletic facilities	\$79,015,000	6/18/2020
The College of New Jersey <i>Series 2020 D</i>	Refunding all or a portion of the college's Series 2013 A, Series 2015 G, Series 2016 F, and Series 2016 G Bonds	\$182,185,000	7/8/2020
Rider University <i>2017 Series F</i>	Reissuance, reallocation of 2017 Series F proceeds	\$41,770,000	9/24/2020
Total Financings in 2020:		\$542,910,000	

Beyond financings, the Authority provided additional services to its clients, highlights of which included:

- Approval of a project scope amendment for Rider University's 2017 Series F Bonds
- Conveyance of four properties held by the Authority back to Rowan University
- Authorization of William Paterson University's demolition of the obsolete Overlook North dorm

Modernizing Services and Practices

The Authority is committed to providing top-tier services to its clients, and part of that effort is ensuring that the Authority is following the most recent best practices and keeping up with industry norms, both in how the Authority serves its clients and how it performs internal operations. In 2020, the Authority made several improvements to operations, including:

- Creation of a new memorandum of understanding (MOU) between the Authority and its clients that clarifies and streamlines initiation of new transactions
- Adoption of a new fee policy ensuring the long-term sustainability of the Authority's mission to support New Jersey higher education
- Development of a Continuation of Operations Plan (COOP) codifying the Authority's continuing operations in the event of a disaster, pandemic, or other emergencies that disrupt normal business operations
- Onboarded PFM Asset Management as the new manager of investments for the Authority's Other Post-Employment Benefits (OPEB) fund, resulting in significant investment earnings for the year

The Reality of a Virtual World

When the Covid-19 pandemic forced the Authority to cease in-person operations in March, staff quickly and seamlessly transitioned to a remote work environment. An IT modernization initiative completed two years ago provided the Authority's operations greatly expanded capability to work in a remote environment. This had never been done or tested before. However, Authority staff quickly developed processes learning new programs and protocols so that services to New Jersey higher education would continue without interruption.

Key to the Authority's remote work environment success last year was the immediate ability to conduct NJEFA's monthly board meetings virtually. The remote environment also afforded the Authority the ability to conduct Tax Equity and Fiscal Responsibility Act (TEFRA) remote hearings for private college transactions while providing public access to comply with the Open Public Meetings Act (OPMA). These Authority innovations allowed the staff to manage and complete four virtual bond financings over the course of the year.

The Authority's bond fund administration services, including investment of bond proceeds and compliance activities continued without interruption in 2020. The Authority's annual financial audit was conducted entirely remotely as well. Payroll, check payments, financial statement preparation and all other reoccurring financial activities of the Authority continued without any delays or disruptions. These successes, most accomplished almost entirely remotely, could not have been completed without the outstanding efforts and buy-in from the Authority's staff, to whom a debt of gratitude is owed.

Grant Administration

The year 2020 also saw the Authority take on additional challenges. A new major project was the Authority's undertaking responsibility to assist the New Jersey State Librarian with the first round of funding from the 2017 Library Construction Bond Act. The Authority's work in this new endeavor included the development of solicitation/application documents, managing a question and answer process, developing a technical assistance training session for applicants, and managing the grant application intake process. These efforts resulted in the President of Thomas Edison University and the New Jersey State Librarian recommending grant awards to the State Legislature for 38 local and county library projects from 16 counties. In 2020, the Authority also completed the 2021 annual compliance monitoring of all grant recipients under Building Our Future Bond Act, Higher Education Capital Improvement Fund Act, Higher Education Facilities Trust Fund Act, Higher Education Equipment Leasing Fund Act, and Higher Education Technology Infrastructure Act.

As an independent and self-supporting state entity, NJEFA is New Jersey's primary issuer of municipal bonds to finance the development of campus facilities at public and private colleges and universities. NJEFA finances a wide array of projects including construction, renovation, and acquisition of academic and research facilities; libraries; technology infrastructures; student housing; student life and athletic facilities; parking structures; and refinancing of existing debt. NJEFA's 54 years of experience in the financial markets with institutions of every type, size, and credit, has led it to complete 521 transactions with a total par volume of over \$18.5 billion.

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