

DASNY In the News

Building the Future of New York State

DASNY Board adopts new financing guidelines

In a major policy development, DASNY's Board adopted new financing guidelines that expand the Authority's ability to provide access to the capital markets for a wider range of not-for-profit institutions rated in the BBB category which were previously required to be treated as exceptions to the financing guidelines. Among other provisions, the new guidelines also enable the Authority to undertake private placement financings.

These new financing guidelines will enable the Authority to more efficiently and effectively execute its core mission of creating access to the capital markets for a wide range of worthy institutions across New York State. With the access to capital, these institutions will be able to grow, create jobs and offer an expanded range of services and opportunities to New Yorkers.



Paul T. Williams, Jr.
Executive Director - DASNY

DASNY/SUNY partnership adds thousands of residence hall beds

DASNY's Paul Williams addresses SUNY campus officials

DASNY Executive Director Paul T. Williams, Jr. addressed the winter meeting of the State University of New York Physical Plant Administrators Association. He discussed an update on trends and issues related to the Dormitory Authority's construction of dormitories, dining facilities and parking garages on SUNY campuses across New York State. DASNY has partnered with SUNY campuses to build facilities for over six decades.

In the last five years, DASNY has added more than 4,200 new dormitory beds, as well as dining halls

and parking garages across the SUNY system. In the coming decade, the SUNY pipeline includes over 14,500 new and renovated residence hall beds in the construction, design and planning phases.

DASNY is focusing on providing customer satisfaction, quality and value to our SUNY customers, and is reviewing ways to contain and minimize costs during these challenging economic times. DASNY is instituting a new small projects initiative, increasing project efficiency procedures and reviewing new business practices to save costs for our customers.

and additional authorizations to provide financing and construction opportunities to SUNY foundations and community colleges, which often serve as economic catalysts for local communities.

Williams also offered to tailor DASNY services on a custom basis for both public and private colleges, and suggested that the Authority's Minority/Women Business Enterprise programs would be able to provide both increased economic development and support to diverse and small businesses in a college's region.



On the legislative front, DASNY is seeking enhanced procurement flexibility, new energy legislation,

DASNY participates in national finance conferences

Williams discusses DASNY's use of Build America Bonds

Paul T. Williams, Jr., DASNY's Executive Director, detailed the Authority's experience with Build America Bonds (BABs) at two recent presentations. The first was to the National Association of Health and Educational Facilities Finance Authorities (NAHEFFA), while the second was to the Build America Bonds Conference for Investors, sponsored by Bank of America Merrill Lynch. Build America Bonds are an option contained in the American Recovery and Reinvestment Act of 2009 (ARRA). Eligible issuers such as DASNY are permitted to sell taxable bonds that receive a federal interest subsidy of 35 percent. In 2009, BABs sales totaled more than \$64 billion dollars, representing 15.6 percent of municipal bond issuance for the year.

DASNY issued two series of BABs during 2009, both under its Personal Income Tax Revenue Bonds Program (PIT Bonds). Both series


were issued as part of funding capital expenditures for projects for the State University of New York (SUNY), and the City University of New York (CUNY). In total, just over \$1 billion dollars in BABs were issued inclusive of both series.

Williams explained the primary consideration for DASNY's strategic use of BABs was to improve the marketing of DASNY bonds, while at the same time lowering the cost of funds to the State. He stated that the use of BABs provided New York State with considerable savings compared to tax-exempt rates. DASNY was the first State Authority in New York to issue BABs.

The presentations touched on issues such as call provisions, bond structures, investor marketing and experience with ratings agencies.

Williams looked to the possible future of BABs, which under law are due to expire at the end of 2010. The municipal industry has

called on the federal government to extend the life of the BABs program. Recently proposed Congressional legislation on BABs-style bonds and the inclusion in President Obama's budget of a provision to make the program permanent with a lower subsidy, demonstrates active discussion of extension of BABs authorization.


There is also discussion about expanding the BABs program to 501(c)(3) institutions and refundings. DASNY will continue to evaluate the use of BABs on a deal by deal basis, taking into consideration the economics, market conditions and the nature of the projects being financed. 

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An electronic bid match notification service is now available for \$79 per year.

DASNY regularly publishes its procurement opportunities in the *New York State Contract Reporter*, as well as on its website, www.dasny.org. Bookmark the pages for quick use and reference. 



DASNY

The Dormitory Authority - State of New York, founded in 1944, is the largest higher education, health care and public-purpose issuer of public debt in the nation with an outstanding bond portfolio of more than \$38 billion. DASNY also is a major public builder in New York State with a construction pipeline of 734 projects valued at \$6.7 billion.