

CASE STUDY

FINANCING FOR HIGHER EDUCATION

FEBRUARY 1, 2023 | AUGUST 3, 2023



\$80,640,000 | EDUCATIONAL FACILITIES REVENUE BONDS | 2023

University of Health Sciences and Pharmacy St. Louis | St. Louis, Missouri

Client Profile

The University of Health Sciences and Pharmacy in St. Louis (UHSP) offers a comprehensive range of academic programs designed to prepare students for careers in health sciences and pharmacy. These include a flagship Doctor of Pharmacy (Pharm.D.) program, two master's degree programs, and two graduate certificate programs. At the undergraduate level, UHSP provides a variety of majors and minors in high-demand fields such as biomedical sciences, public health, pharmaceutical sciences, biochemistry, data science, and healthcare administration.

As of Fall 2022, UHSP served approximately 264 undergraduate students and 430 professional students. Whether students are pursuing careers in clinical practice, research, or healthcare management, UHSP equips them with the knowledge and skills needed to thrive in a rapidly evolving healthcare landscape.

The Project & Structure

Stifel served as the sole underwriter on two forward delivery tax-exempt refunding bonds for the UHSP. The Series 2023 A&B Bonds refunded Series 2013 and Series 2015B and will be issued through the Health and Educational Facilities Authority of the State of Missouri.

The Series 2023A Bonds will close on February 1, 2023, to refund the University's Series 2013 Bonds on May 1, 2023. This refunding will generate more than 20% NPV savings. The Series 2023B Bonds will close on August 3, 2023, to refund the University's Series 2015B Bonds on November 1, 2023. This refunding will generate approximately 10% NPV savings. Both bond series are rated BBB- by S&P and are callable at par May 1, 2033.

The University invested the Series 2023A and 2023B bond proceeds during the escrow periods which generated more than \$650,000 in additional interest savings for fiscal year 2023 and \$340,000 for fiscal year 2024 (\$994,457 aggregate), respectively.

Pricing Results

The University decided to lock in rates for both series of bonds with forward premiums now rather than waiting and taking rate risk for the next 12-18 months. The pricing yields included a forward premium of 5 basis points per month for 12 months on the Series 2023A Bonds and 6 basis points per month for 18 months on the Series 2023B Bonds. In aggregate, these refundings will generate the University over \$14 million in net present value savings.

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