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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
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Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

April 26, 2024

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Approval of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with The Trustees of Dartmouth College of Hanover, NH.

EXPLANATION

This item is submitted pursuant to a request by the New Hampshire Health and Education Facilities Authority. Councilor Warmington has requested that this be placed on the agenda as a regular item for the Wednesday, May 15, 2024 meeting for ratification by the Governor and Council.

Sincerely,

Charles M. Arlinghaus
Commissioner

CMA/dph

Attachment



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April 25, 2024

Charles M. Arlinghaus, Commissioner
Department of Administrative Services
State of New Hampshire
State House Annex
25 Capitol Street
Concord, New Hampshire 03301

RE: New Hampshire Health and Education Facilities Authority –
Trustees of Dartmouth College

Dear Commissioner Arlinghaus:

I enclose an original and ten copies of the Report and Findings of Councilor Cinde Warmington with regard to a certain project in participation with The Trustees of Dartmouth College of Hanover, New Hampshire. Councilor Warmington has requested that this be placed on the agenda as a regular item for ratification by the Governor and Council at their meeting scheduled for Wednesday, May 15, 2024.

Thank you for your assistance in this matter.

Very truly yours,

William C. Tucker

/tav

cc: Bonnie S. Payette, NHHEFA
Enclosures

**REPORT
AND
FINDINGS
OF**

CINDE WARMINGTON, designee of the Governor and Council of The State of New Hampshire, under the provisions of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated, on the undertaking by the Authority of a certain project in participation with **TRUSTEES OF DARTMOUTH COLLEGE** of Hanover, New Hampshire, pursuant to said Act.

Introductory

The New Hampshire Health and Education Facilities Authority (hereafter referred to as the “Authority”) requested of Governor Christopher T. Sununu and the Executive Council that a hearing be held pursuant to the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated (hereafter referred to as the “Act”), and particularly as prescribed in Section 21 of the Act. The hearing is required as the result of an application submitted to the Authority by Trustees of Dartmouth College, a private, not-for-profit, educational corporation subject to the laws of the State of New Hampshire operating an institution for higher education known as Dartmouth College located in Hanover, New Hampshire (hereafter sometimes referred to as “Dartmouth” or the “College”) which is a participating educational institution under RSA 195-D:3. Such application seeks the participation of the Authority, under the Act, in the financing of certain capital expenditures (hereafter referred to as the “Project”).

Pursuant to RSA 195-D:21 above cited, the Governor and Council designated me to hold a hearing and make findings in connection with the College’s application. Following Public Notice given in accordance with Chapter 91-A of the New Hampshire Revised Statutes Annotated, by notice published in the New Hampshire Union Leader on Thursday, April 18, 2024, the hearing was held commencing at 2:00 p.m. on Thursday, April 25, 2024 in the Conference Room of the

New Hampshire Health and Education Facilities Authority at One Capitol Street, Suite 200, Concord, New Hampshire.

All witnesses were duly sworn. A summary of testimony presented at the hearing follows:

Summary of Testimony

R. Scott Frew, the Chief Financial Officer of Dartmouth College, was the first witness. He described the College as a private, not-for-profit coeducational, nonsectarian institution of higher education, offering undergraduate and graduate degrees. The College's annual undergraduate enrollment is approximately 4,400 students while some 2,000 graduate students attend its professional schools and other graduate programs. In addition to the undergraduate liberal arts program, Dartmouth operates the Geisel School of Medicine, the Thayer School of Engineering, the Tuck School of Business, the Guanni School of Graduate and Advanced Studies, and offers doctoral programs in biochemistry, biological sciences, chemistry, geology, mathematics and computer science, physics and astronomy, physiology, pharmacology and psychology. Dartmouth annually employs approximately 4,300 full and part time personnel, including approximately 930 faculty members.

Mr. Frew testified that the College is accredited by the New England Association of Schools and Colleges, with each professional school holding separate accreditation. The College is also a member of the American Council on Education and the New Hampshire College and University Council.

Mr. Frew explained that tax-exempt financing provides the College with the opportunity to borrow at favorable rates of interest for its projects. The use of such financing allows the College to use funds it would have used for debt service payments to achieve such public purposes as keeping tuition levels lower than they otherwise would be and permitting Dartmouth to continue

to admit undergraduate applicants from the United States on a “need blind” (i.e., without regard to their ability to pay) basis and to provide more scholarships than the College otherwise would be able to provide. Mr. Frew also stated that the College is committed to undertaking such construction, renovation, furnishing, and equipping of its facilities as are necessary to provide its students and faculty with facilities which are consistent with their educational needs.

Mr. Frew testified that Dartmouth’s five-year capital plan includes investment in housing renewal, energy and other key initiatives. The proceeds of the Authority’s Commercial Paper Notes (the “Notes”) will be used to finance the construction, expansion, renovation, improvement and equipping of the College’s existing student housing facilities at Andre’s Hall, Zimmerman Hall, North Fayerweather Hall, Mid Fayerweather Hall, South Fayerweather Hall, Hitchcock Hall, North Massachusetts Hall, Mid Massachusetts Hall, South Massachusetts Hall, the Borrower’s Health Service Facility Dick’s Hall, the Borrower’s Sport’s Facility, Thompson Hall, a new student dormitory building on West Wheelock Street and miscellaneous capital expenditures for construction and renovation at the College’s higher education facilities and the payment of certain costs incurred in issuing the Notes. All facilities financed by the Notes will be owned by the College.

Mr. Frew stated that the Trustees of Dartmouth College have authorized a maximum of \$100,000,000 of commercial tax-exempt notes and a total commercial paper program of taxable and tax-exempt of \$300,000,000. A portion of the tax-exempt notes may be used to refinance taxable commercial paper notes as doing so will assist the College in lowering the costs of providing education facilities with the State.

Mr. Frew testified that the College has engaged The Yuba Group, LLC, as its financial advisor. The Notes are anticipated to be issued at short-term fixed rates in the public market. The

College's current short-term ratings are P-1 from Moody's Investors Service and A-1 from Standard & Poor's rating services.

In closing his testimony, Mr. Frew stated that the refinancing of existing indebtedness will assist the College in lowering the costs of providing education facilities within the State and that the Project serves a need not presently fulfilled in providing education within the State and is of public use and benefit. He further stated that based upon his position as Chief Financial Officer of Dartmouth, it was his opinion that the College will be able to meet its financial obligations under the proposed Note issue and that the College is currently operating in a financially responsible manner.

Bonnie S. Payette was the final witness called. She stated that she is the Executive Director of the New Hampshire Health and Education Facilities Authority and oversees the administration of the Authority's day-to-day affairs. In her capacity as Executive Director she has become acquainted with the Project and the details of the proposed financing for the College. She testified that the Authority adopted a resolution approving issuance of Commercial Paper Notes for the Trustees of Dartmouth College on March 26, 2024, subject to compliance being had with all laws bearing upon such issue and the advice of counsel, including Bond Counsel.

Ms. Payette testified that certain documents are being prepared for execution in connection with the Project, including a Commercial Paper Note Indenture to be entered into between the Authority and a Trustee for the Note issue and a Loan Agreement with the College. She testified that language in the documents will require that each Note issued by the Authority for the Trustees of Dartmouth College bear on its face the following provision:

Neither the State of New Hampshire nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note, other than from the projects for which it is issued, and neither the faith and credit nor the taxing power of the

State of New Hampshire or of any political subdivision thereof is pledged to the payment of the principal of or interest on this note.

Ms. Payette testified that the Note documents will make adequate provision for the payment of principal and interest on the Notes, as well as the costs of the Project, so that the State will not be obligated in any way for their repayment.

Ms. Payette concluded her testimony with respect to the College by stating that, based on her familiarity with the statute under which the Authority operates, on her experience as Executive Director of the Authority, and on the advice of counsel, including Bond Counsel, the Project is within the powers conferred by law upon the Authority.

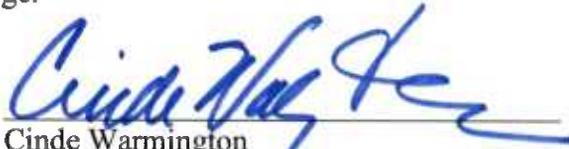
Findings

Upon the testimony submitted at the hearing, and upon consideration, I find as follows:

- (1) The refinancing of existing indebtedness and the construction and acquisition of the Project, as the same is described in such testimony, will enable and assist the Trustees of Dartmouth College (herein called the "College"), a not-for-profit institution for higher education located in Hanover, New Hampshire, to provide educational facilities within the State of New Hampshire (herein called the "State"); and
- (2) The Project and the project to which the refinancing relates will be leased to, or owned by, the College, which is a financially responsible participating institution within the State; and
- (3) Adequate provision has been, or will be, made for the payment of the cost of the construction and acquisition of the Project and the refinancing of existing indebtedness related thereto; and under no circumstances will the State be obligated, directly or indirectly, for the payment of the principal of, or interest on, any obligations issued to finance such construction and acquisition or to provide for the refinancing of existing indebtedness, or obligations to which such refinancing of existing indebtedness relates; and
- (4) Adequate provision has been, or will be, made in any lease or mortgage of the Project to be undertaken or any property leased or mortgaged in connection with the issuance of notes for the payment of all costs of operation, maintenance and upkeep of the Project by the College so that under no circumstances will the State be obligated, directly or indirectly, for the payment of such costs; and

- (5) Adequate provision has been made to obligate the College to hold and use the Project for educational purposes so long as the principal of and interest on notes or other obligations issued by the New Hampshire Health and Education Facilities Authority (herein called the "Authority") to finance the cost of the Project, including any refunding bonds or notes issued to refund and refinance such bonds or notes, have not been fully paid and retired and all other conditions of the resolution or trust agreement authorizing and securing the same have been satisfied and the lien of such resolution or trust agreement has been released in accordance with the provisions thereof; and
- (6) The construction and acquisition of the Project and the refinancing of existing indebtedness, as the same is described in such testimony, will be within the authority conferred by Chapter 195-D of the New Hampshire Revised Statutes Annotated upon the Authority; and
- (7) The construction and acquisition of the Project described in the testimony serves a need presently not fulfilled in providing education facilities within the State and is of public use and benefit; and
- (8) The refinancing of existing indebtedness will assist the College in lowering the cost of providing education within the State and is being undertaken in connection with a project being provided by the College.

Dated: April 25, 2024


Cinde Warmington
Executive Councilor
Designee of the Governor and Council

RATIFICATION AND GOVERNOR'S APPROVAL

The Governor and Council hereby ratify, confirm, approve and adopt the findings set forth in the Report and Findings attached hereto made by Cinde Warmington, the Designee of the Governor and Council to hold a hearing and make findings pursuant to Section 21 of the New Hampshire Health and Education Facilities Authority Act, Chapter 195-D of the New Hampshire Revised Statutes Annotated. The hearing was required and held as a result of an application submitted to the New Hampshire Health and Education Facilities Authority (the "Authority") by the Trustees of Dartmouth College, a not-for-profit institution for higher education located in Hanover, New Hampshire. The hearing was held on April 25, 2024, following notice published in the New Hampshire Union Leader on April 18, 2024, in the Conference Room of the Authority, One Capitol Street, Suite 200, Concord, New Hampshire at 2:00 o'clock in the afternoon.

The Governor's signature constitutes his approval under Section 147(f) of the Internal Revenue Code of 1986, as amended, of the issuance of the Notes described herein and in the hearing held by the Authority on April 25, 2024 as described in the Notice of Public Hearing published on April 18, 2024 in the New Hampshire Union Leader.

Dated: May 15, 2024

Governor: Christopher T. Sununu

Councilor: Joseph D. Kenney

Councilor: Cinde Warmington

Councilor: Janet Stevens

Councilor: Theodore L. Gatsas

Councilor: David K. Wheeler