



# The Impact of Private Activity Bonds for 501(c)(3) Educational & Health Borrowers in Vermont

VEHBFA was formed over 50 years ago by an Act of the Vermont Legislature to benefit the people of Vermont as it relates to their education, health, welfare, and prosperity. The Act recognized the critical role of these facilities in Vermont's community wellbeing.

Over the past 5 years alone, VEHBFA helped 501(c)(3) borrowers refinance or fund just under \$800 million in educational and health facilities—including over \$340 million in support of new social infrastructure spending—via Private Activity Bonds.

## Health Related Activity

- A total of over \$480 million of PABs supporting Vermont's healthcare sector, which accounts for 9 percent of the total workforce<sup>1</sup>
- Total issuance included over \$140 million in PABs supporting new facilities for health related social infrastructure
- Median facility size of 61 beds

## Educational Related Activity

- A total of over \$280 million of PABs supporting Vermont's higher education sector, which employs approximately 11 thousand and provides \$550 million in wages annually<sup>2</sup>
- Total issuance of \$290 million included nearly \$200 million in new facilities for educational related social infrastructure

## Illustrative Borrower Profiles

### Rutland Regional Medical Center (RRMC) *Series 2013 A - \$31.14 mm*

RRMC is private nonprofit corporation that operating an 188 bed acute-care hospital. Due to its geographical remoteness, it has been designated a "sole community provider" and a "rural referral center". The closest community hospital is over 40 miles away and the closest tertiary care hospital is over 50 miles away. RRMC employs over 1,400 people in Rutland and surrounding areas.

### Gifford Health Care (Gifford) *Series 2014 A - \$20.84 mm*

Gifford is a private nonprofit corporation that maintains 55 beds as a Critical Access Hospital and a nursing home. In addition, they operate a network of health centers providing services to medical underserved areas and populations (Gifford is a Federally Qualified Health Center) while employing approximately 600 people in central and southern Vermont.

<sup>1</sup>[https://vermonthec.org/client\\_media/documents/data/Executive%20Summary%20of%202017%20State%20of%20Higher%20Education%20Report.pdf](https://vermonthec.org/client_media/documents/data/Executive%20Summary%20of%202017%20State%20of%20Higher%20Education%20Report.pdf)

<sup>2</sup><http://www.thinkvermont.com/healthcare/>