RIHEBC
Rhode Island Health & Educational Building Corporation

OVERVIEW AND SELF-EVALUATION OF THE RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

Adopted by the RIHEBC Board of Directors
on October 21, 2026

PURPOSE

The purpose of this Overview and Self-Evaluation of the Rhode Island Health and Educational Building Corporation (the "Corporation" or "RIHEBC") is to be responsive to the Quasi-Public Corporations Accountability and Transparency Act adopted by the General Assembly as set forth in Rhode Island General Laws 42-155, *et seq*. Its purpose is further to provide the Corporation's stakeholders with a report on the effectiveness of the Corporation's programs and activities.

OVERVIEW

The Corporation is a quasi-public agency that provides financing programs, including the issuance of tax-exempt bonds, to municipalities, public and private educational institutions, nonprofit healthcare providers, and other eligible nonprofit institutions in the State of Rhode Island (the "State"). While it is a component unit of the State, RIHEBC is financially independent of the State because its core operations are funded solely from the fees generated by its programs.

MISSION STATEMENT

The mission of the Corporation is to provide cost-effective, efficient, and user-friendly funding programs for mission-critical capital projects of eligible institutions. Eligible institutions include municipalities, public and private educational institutions, nonprofit performing arts centers, museums, hospitals and other nonprofit physical and mental healthcare organizations. The Corporation's financing programs include tax-exempt or taxable bonds, grants, and direct loans.

FIVE-YEAR ECONOMIC IMPACT AND PERFORMANCE STATISTICS

Since its establishment as a self-supporting agency, RIHEBC has provided approximately $13 billion in financing to eligible borrowers in all 39 Rhode Island cities and towns. As of the audited fiscal year 2026 financials, the Corporation oversees $4,969,963,783 in bonds outstanding. RIHEBC's programs continue to effectively meet the needs of its eligible institutions by providing timely and cost-effective financing.

During fiscal years 2022 to 2026, RIHEBC provided over $3.1 billion in total bond financing to 18 educational institutions, 21 municipalities, 2 regional school districts, 3 hospitals or hospital systems, and 3 other healthcare facilities. Of this amount, $2.6 billion represents funds used to finance new construction or renovation projects. The other $0.5 billion of this five-year total represents funds that were used to refinance other debt for the purpose of generating debt service savings and/or to restructure an institution's debt portfolio. During this time, RIHEBC, through its

efficient approval process, was able to complete financings, on average, within 146 days of receipt of a borrower application. Furthermore, the fees that the Corporation assesses to complete these financings are lower than at comparable issuers within the State and the nation.

The Corporation has become the prominent issuer for tax exempt financing in the State and has developed extensive knowledge and expertise in providing such financing. Its expertise and assistance have become more important to its clients due to the increasing complexity and scrutiny imposed by federal agencies and U.S. Congress on the use of tax-exempt financing.

BOARD OF DIRECTORS

RIHEBC's Board of Directors is appointed by the Governor. Each member serves a five-year term.

At the end of fiscal year 2026, the Board of Directors consisted of the following individuals:

Ms. Channavy Chhay, Chair. Term expires June 30, 2027. Ms. Chhay, a resident of Cranston, Rhode Island, is the Executive Director of the Center for Southeast Asians.

Mr. William S. Murray, Vice Chair. Term expired June 30, 2026.* Mr. Murray, a resident of Cumberland, Rhode Island, was mayor of Cumberland from 2015 to 2019. He is currently working for Best Practice Energy in Wakefield as an energy advisor and consultant.

Mr. David Almonte, Treasurer. Term expires June 30, 2029. Mr. Almonte, a resident of Exeter, Rhode Island, is a certified public accountant and is employed as a Senior Manager/Financial Reporting and Analysis for Amica Mutual Insurance Company.

Ms. Lisa Andoscia, Secretary. Term expired June 30, 2025.* Ms. Andoscia, a resident of North Providence, Rhode Island, and is the founder of the consulting firm Rosewood Consulting Inc.

Mr. Constantinos Perdikakis, Director. Term expires June 30, 2028. Mr. Perdikakis, a resident of Cranston, Rhode Island, designs and develops real estate, and manages several businesses throughout the State.

*Members serve on the Board of Directors until a successor is appointed and duly qualified.

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STAFF

At the end of fiscal year 2026, Corporation staff consisted of the following individuals:

Dylan Zelazo, Executive Director
Scott O'Malley, Chief Financial Officer
Jennifer Almeida, Program Manager
Dina Munroe, Compliance and Office Manager
Christopher Dauda, Finance Analyst

ADVISORS TO THE CORPORATION

At the end of fiscal year 2026, the Corporation's advisors consisted of the following firms:

Savage Law Partners, LLP, *General Counsel*
Withum Smith & Brown, P.C., *Independent Auditors*
Advocacy Solutions, LLC, *PR/Marketing*
Dome Consultants, LLC, *Lobbyist*

Municipal Advisor Firms
Acacia Financial Group, Inc.
Hilltop Securities Inc.
PFM Financial Advisors, Inc.

Bond Counsel Firms
Greenberg Traurig, LLP
Harrington Vitale & Bernardo, Ltd.
Hawkins Delafield & Wood LLP
Hinckley Allen & Snyder LLP
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Troutman Pepper Locke LLP

All of these advisors were secured through a competitive procurement process that typically occurs every 2 to 5 years.

PROGRAMS

Bond Financing Program

RIHEBC's issuance of tax exempt and taxable bonds has provided financing ranging from $1 million to $300 million for buildings and facilities. It has assisted with capital projects for every hospital, college and university in Rhode Island, as well as skilled nursing/assisted living facilities, charter schools, private and public elementary and secondary schools, and community health centers. For larger transactions, bonds are typically sold as public offerings through an investment bank or syndicate of banks. Smaller bond issues are often privately placed directly with a bond purchaser, most often a local or regional bank. See below under "Bonds Issued in Fiscal Years 2022-2026" for a summary of the bond issuances from fiscal years 2022 through 2026.

Tax-Exempt Equipment Lease Program

The goal of the Tax-Exempt Equipment Financing Program is to provide a faster and less expensive alternative to financing equipment needs and associated renovation projects than is available under the Bond Financing Program. The Tax-Exempt Equipment Lease Program is designed to be an alternative to single-source vendor financing and taxable commercial financing and is best used for financing shorter-lived assets. The lenders in this program might be local or regional banks, or finance companies that specialize in lease financings. This program has not been utilized since fiscal year 2013 but was updated in 2020 with standardized documents, lower fees, and a faster approval process. The revised program is still available to borrowers.

Direct Loan Program

The Corporation's Direct Loan Program provides direct loans funded from Corporation reserves that have been board designated for such use. The Direct Loan Program offers attractive borrowing rates to the Corporation's eligible institutions that have been in existence for at least three years for the purchase of capital equipment, acquisition of real estate, construction or renovation of facilities, refinancing of existing debt, or other purposes approved by the Board. Loans are offered at competitive rates with terms of 3, 5, 7, or 10 years, and range in size from $25,000 to $250,000.

Emergency Loan Program

The Corporation's Emergency Loan Program assists eligible RIHEBC borrowers in the payment of debt service on existing RIHEBC bonds. The maximum loan size is $250,000 and maximum loan term is five years. Loan repayment begins thirty (30) days after the relief period and terms are determined on a case-by-case basis. Since the program's inception in March 2020, RIHEBC made one emergency loan in the amount of $151,000.

Capital Grant Program

The Board may, in its discretion, authorize the designation of a portion of its reserves to provide grants to eligible institutions. The Capital Grant Program is a competitive grant program and serves to assist eligible institutions with capital projects and equipment purchases.

For the fiscal year 2026 Capital Grant Program, the Corporation awarded $1,000,011.68 in grants to forty-five (45) institutions. Grants are in the process of being distributed to all awardees.

For the fiscal year 2025 Capital Grant Program, the Corporation awarded $993,604.54 in grants to thirty-seven (37) institutions.

The Corporation did not award any grants in fiscal years 2023 and 2024.

For the fiscal year 2022 Capital Grant Program, the Corporation awarded $1,050,902.32 in grants to twelve (12) institutions.

State Aid for Public School Projects

As Rhode Island's premier issuer of tax-exempt bonds for public school projects, RIHEBC serves as a partner to the Rhode Island Department of Education ("RIDE") by administering three State aid programs: School Housing Aid, School Building Authority Capital Fund, and State Bond Pay-Go grants. To be eligible for any of these components of State aid, school districts and their host municipalities must complete the School Building Authority's ("SBA") necessity of school construction approval process.

<u>School Housing Aid</u>

School districts within the State that receive approval from the SBA and complete school projects for repair, renovation or new construction are eligible for State Housing Aid. Such aid consists of reimbursement of debt service on bonds issued by the Corporation once the project is complete. The reimbursement rate for debt service is determined by the State. The State makes an annual appropriation for School Housing Aid under the State formula to each municipality/school district. Such funds are held in a custody account at U.S. Bank until such municipality/school district pays the semi-annual debt service in full. After such payment the Corporation instructs U.S Bank to distribute State aid not needed to pay debt service to the municipalities and school districts.

In fiscal year 2026, RIHEBC administered $81.86 million in School Housing Aid to 32 municipalities/school districts and 9 charter schools.

In fiscal year 2025, RIHEBC administered $82.87 million in School Housing Aid to 32 municipalities/school districts and 8 charter schools.

In fiscal year 2024, RIHEBC administered $69.26 million in School Housing Aid to 33 municipalities/school districts and 6 charter schools.

In fiscal year 2023, RIHEBC administered $65.82 million in School Housing Aid to 33 municipalities/school districts and 5 charter schools.

In fiscal year 2022, RIHEBC administered $56.09 million in School Housing Aid to 33 municipalities/school districts and 6 charter schools.

School Building Authority Capital Fund

The SBA Capital Fund provides "pay-as-you-go" State funding for approved projects to address high-priority needs. Municipalities and school districts compete to receive this funding, and it is distributed as work is being done, with the school districts submitting invoices to RIDE. The State makes an annual appropriation for the SBA Capital Fund, which is transferred to the Corporation at the beginning of the fiscal year. These funds are held in a custody account at U.S. Bank until RIHEBC is instructed by RIDE to transfer monies to the receiving parties.

In fiscal year 2026, RIHEBC distributed $11.8 million in total capital fund grants to 35 municipalities/school districts, 17 charter schools, and 2 State schools.

In fiscal year 2025, RIHEBC distributed $18.1 million in total capital fund grants to 26 municipalities/school districts, 11 charter schools, and 1 State school.

In fiscal year 2024, RIHEBC distributed $28.2 million in total capital fund grants to 33 municipalities/school districts, 19 charter schools, and 3 State schools.

In fiscal year 2023, RIHEBC distributed $9.9 million in total capital fund grants to 20 municipalities/school districts, 16 charter schools, and 2 State schools.

In fiscal year 2022, RIHEBC distributed $3.2 million in total capital fund grants to 21 municipalities/school districts and 5 charter schools.

State Bond Pay-Go Grants

In fiscal year 2019, RIHEBC began administering the State's "Pay-Go" grant program. Funded by State General Obligation Bonds, Pay-Go grants are made to municipalities for SBA-approved

projects. The Pay-Go funds go into the project at the beginning, thereby reducing the amount of project costs that need to be permanently financed. These funds are transferred to RIHEBC on an as-needed basis and are held in a custody account at U.S. Bank until RIHEBC is instructed by RIDE to transfer monies to the receiving parties.

In fiscal year 2026, RIHEBC distributed $103.0 million in Pay-Go grants to 8 municipalities/school districts and 1 charter school.

In fiscal year 2025, RIHEBC distributed $48.3 million in Pay-Go grants to 14 municipalities/school districts and 2 charter schools.

In fiscal year 2024, RIHEBC distributed $33.9 million in Pay-Go grants to 14 municipalities/school districts and 1 charter school.

In fiscal year 2023, RIHEBC distributed $79.9 million in Pay-Go grants to 13 municipalities/school districts and 2 charter schools.

In fiscal year 2022, RIHEBC distributed $55.7 million in Pay-Go grants to 13 municipalities/school districts and 1 charter school.

BONDS ISSUED IN FISCAL YEARS 2022-2026

In fiscal year 2026, the Corporation issued $855,865,000 in 13 separate bond issues. Of that amount, approximately $739.2 million was issued to finance various capital projects for 8 municipalities/school districts, 2 higher educational institutions, and 3 healthcare institutions. Refunding bonds totaled $116.6 million.

In fiscal year 2025, the Corporation issued $612,631,000 in 13 separate bond issues. Of that amount, approximately $598.88 million was issued to finance various capital projects for 9 municipalities/school districts, 3 higher educational institutions, and 1 healthcare institution. Refunding bonds totaled $13.751 million.

In fiscal year 2024, the Corporation issued $839,927,713 in 12 separate bond issues. Of that amount, approximately $644.730 million was issued to finance various capital projects for 5 municipalities/school districts, 5 educational institutions, and 2 healthcare institutions. Refunding bonds totaled $195.201 million.

In fiscal year 2023, the Corporation issued $392,854,000 in 8 separate bond issues. Of that amount, approximately $342.080 million was issued to finance various capital projects for 2 municipalities/school districts and 6 educational institutions. Refunding bonds totaled $50.774 million.

In fiscal year 2022, the Corporation issued $492,555,569 in 16 separate bond issues. Of that amount, approximately $293.255 million was issued to finance various capital projects for 7 municipalities/school districts and 6 educational institutions. Refunding bonds totaled $199.3 million.

SELF-EVALUATION

The Corporation adopted its current Strategic Plan on July 22, 2022. In accordance with the Quasi-Public Corporations Accountability and Transparency Act, Rhode Island General Laws § 42-155, *et seq*., the Corporation has conducted a self-evaluation of its progress toward achieving the goals set forth in the Strategic Plan, using the stated measurements established in the Strategic Plan. The Corporation's self-evaluation is set forth below.

Goal 1: Superior client service and client relations: develop and/or maintain cost-effective, efficient and user-friendly programs; to establish and maintain relationships with eligible institutions whether or not they are currently a RIHEBC borrower or grantee.

Measurements for Goal 1:

1. Survey sent upon deal closing – measurement of client satisfaction with process.
2. Outreach to existing clients and prospects.
3. Executive Director's monthly report to include results of 1 and 2.

Self-Evaluation for Goal 1:

One of RIHEBC's top priorities is maintaining excellent customer service throughout the process of identifying eligible projects, applying for tax-exempt bond financing through the Corporation, engaging bond counsel and financial advisors, closing bond financings, and post-closing follow up activities. To meet this goal, the Corporation uses a "high touch" process that involves regular direct client interactions with the Executive Director, individual board members, and staff. Following every bond closing, the Executive Director and board members personally follow up with clients to assess satisfaction and proactively address any issues identified.

Thanks to this approach, on average, RIHEBC completes financings within 146 days of receiving a borrower application. This prompt timeframe is a key performance metric demonstrating the Corporation's commitment to providing clients with efficient, cost-effective, and user-friendly funding programs.

The Executive Director and board members have also been working to celebrate customer successes by visiting project groundbreaking and ribbon cutting events. Finally, the Executive Director and board have been active in reaching out to and meeting with other healthcare,

educational, and nonprofit organizations that may benefit from the Corporation's financing and grant programs.

1. After every bond closing RIHEBC's Executive Director and individual board members personally speak with clients to ensure that the process went smoothly and that clients received the highest levels of customer service, bond counsel, and financial advice. Feedback has been universally positive, and clients appreciate the personal follow-up from RIHEBC staff and board members.

2. RIHEBC's Executive Director has been touring the state to meet with RIHEBC's existing clients, to develop relationships with new organizations, and to celebrate project milestones including ground-breaking and ribbon cutting ceremonies. Examples include touring residential and academic facilities at Brown University, the Justice Assistance clinic, and the new Nursing & Health Sciences building at Providence College. The Corporation also participated in high-profile ceremonies, including the topping off and ribbon cutting for the new Central Falls High School, groundbreakings for Bristol/Warren High School, and ribbon cuttings for Rogers High School in Newport and Baldwin Elementary School in Pawtucket.

3. The Executive Director's monthly reports regularly highlight client satisfaction, existing client outreach, and outreach to new organizations that may benefit from the Corporation's programs.

Goal 2: RIHEBC's reputation and awareness among the public: broaden and maintain awareness of RIHEBC among legislators, elected officials, and the public.

Measurements for Goal 2:

1. Issue press releases to announce closed deals, new programs, etc.
2. Prepare quarterly newsletter and send to broad distribution list.
3. Maintain on-line presence through website postings and social media posts.
4. Executive Director's monthly report to include summary of 1-3.

Self-Evaluation for Goal 2:

The Corporation successfully executed a comprehensive rebrand in early 2025, which included a new logo, tagline, colors, a revamped website, an interactive map of RIHEBC financings, and a RIHEBC overview video. Public awareness was bolstered by targeted media efforts, such as an op-

ed in the Providence Business News (PBN) regarding critical tax-exempt bond financing for local community hospitals, a featured PBN *5 Questions* segment, and a New England Real Estate Journal column on Corporation financings supporting economic development in the City of Pawtucket. RIHEBC's grant awards also received broad media coverage in publications including the *Newport Daily News*, *The Valley Breeze*, and *The Westerly Sun*.

The Corporation's online presence was significantly expanded through ramped-up social media marketing and LinkedIn ads highlighting annual activity and economic impact. Nationally, RIHEBC's reputation was elevated by the Executive Director's appointment to the National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) Board and the selection of Newport as the site for the Fall 2027 NAHEFFA Conference. Locally, the Corporation has served as a presenting sponsor and panelist at the Treasurer's Rhode Island Investor Conference and at the League of Rhode Island Cities & Towns annual convention.

Through these efforts, RIHEBC has significantly boosted its awareness among legislators, municipal officials, nonprofit organizations, and the public.

1. RIHEBC regularly issues press releases announcing bond closings and grant awards. Press releases have generated statewide and local media coverage.

2. RIHEBC sends twice annual newsletters to its email list of approximately 500 clients, grant recipients, and other followers.

3. RIHEBC has greatly expanded its presence on social media including more regular postings to LinkedIn and X. This has included featuring RIHEBC's new branding video, regular postings about bond closings, grant awards, and visits to completed projects. RIHEBC also launched a rebranded and upgraded website in 2025.

4. The Executive Director's monthly reports regularly highlight the Corporation's branding, communications, and public outreach activities.

Goal 3: Efficient and compliant operations: to maintain business operations that are efficient, cost-effective and compliant with local, state, federal laws/regulations.

Measurements for Goal 3:

1. Monthly report from CFO on budget compared to actual operating results and other financial matters.

2. Annual report to the Board on the Corporation's compliance with Accountability and Transparency.
3. Periodic, as-needed review of the Corporation's policies and procedures.
4. Periodic review of the Corporation's compliance with tax-exempt regulations.

Self-Evaluation for Goal 3:

Audit, Compliance, and Financial Integrity

RIHEBC has maintained rigorous financial oversight and compliance standards. The Corporation successfully navigated a mandated performance audit by the Rhode Island Office of Internal Audit, which reviewed compliance with the Quasi-Public Corporations Accountability and Transparency Act. Furthermore, the Corporation has achieved positive results in its annual audits, reflecting strong internal financial management.

Operational efficiency has also been improved through a comprehensive review of the HELP Loan Program by a Senior Advisor, which led to the retirement of a line of credit and the designation of specific reserves to be held in an account managed by RIHEBC. Additionally, the Corporation and its bond counsel worked closely with the IRS to resolve complex tax-law matters related to bond proceeds from a 2018 University of Rhode Island issuance.

Organizational Capacity and Staff Development

The Corporation has invested in its internal talent to ensure professional operations and continuous improvement. Key personnel actions included the promotion of a Compliance and Office Manager and the hiring of a full-time Finance Analyst following a successful internship period. Professional development has been a priority for the Executive Director who participated in Leadership Rhode Island and was recently appointed to the National Association of Health and Educational Facilities Finance Authorities' (NAHEFFA) Board. Staff also attended national conferences to stay informed on emerging trends, including the use of AI in organizational operations, shifts in the national tax policy climate, and Congressional legislation impacting the tax-exempt bond market.

Strategic Procurement and Infrastructure

To ensure the best value for its clients, RIHEBC utilizes a competitive procurement process for all major advisors, including issuing RFQs for bond underwriting, bond counsel, and financial advisory firms.