



The Education Committee of the  
National Federation of Municipal Analysts

**Advanced Seminar**  
**on**  
**501(c)3s, K-12s and Beyond:**  
**The Future of Financing**  
**Education and Not-For-Profits**

October 21-22, 2004  
The Westin Grand Hotel  
Washington, D.C.

**PROGRAM**

**Thursday, October 21**

- 7:30-8:00 am            *Registration and Continental Breakfast*
- 8:00- 8:15 am           *Opening Remarks – Judith Harvey, American Express, NFMA Education Chair*
- 8:15-9:30 am            *Is K-12 Education Being Left Behind?*  
*Federal reforms such as No Child Left Behind and class-size reductions are increasing school district costs. States have cut and re-allocated local school district funding. School funding lawsuits proliferate. Ratings on district financings and state enhancement programs are being revised in light of increasing fiscal stress. How will these changes affect K-12 operations, fiscal flexibility and the credits behind school debt?*
- Moderator:** Mark Stockwell, VP & Director of Municipal Research, PNC Advisors Municipal Investment Group*
- Panelists:** Mary Levy, Director, Public Education Reform Project, Washington Lawyers Committee for Civil Rights • Robin Prunty, Director, Standard & Poor's • Bill Wise, Assistant Superintendent, Anne Arundel County Public Schools*
- 9:30 – 9:45 am           *Break*

9:45 – 11:00 am

***Charter Schools: Are They Viable for the Long Term?***

What is the role of charter schools in the urban educational environment? What are the financial and academic challenges of operating a successful charter school? The panel will discuss these issues and look at the credit factors an analyst should consider before investing in charter school bonds.

**Moderator:** *Steven Schrager, Managing Director, ACA*

**Panelists:** *Michael Connelly, CEO, Mosaica Education • Donald Hense, Chairman & CEO, Friendship Public Charter School, Washington, DC • Patrick Early, VP & Mgr, A.G. Edwards*

11:00 – 11:15 am

***Break***

11:15 am– 12:30 pm

***Trends in Higher Education***

Rising benefits costs, reduced state and NSF/NIH research funding, changing demographics, and competition are just some of the challenges faced by the higher education industry. The impact on credit quality of the weak equity market, increased capital & technology investments and rising debt burden will also be discussed. Finally, the emergence of on-line education, the challenges and costs of starting and growing this type of program will also be explored.

**Moderator:** *Maria C. Sazon, VP, Alliance Capital Management Corp.*

**Panelists:** *John Nelson, SVP, Moody's Investors Service • Matthew Hamill, SVP, NACUBO • Vincent Conti, SVP, CFO/COO, University of Maryland University College*

12:30 – 1:45 pm

***Luncheon***

1:45 – 3:00 pm

***The Evolution of Privatized Student Housing***

Over the last ten years, public and private universities have increasingly promoted the financing of privatized student housing facilities to accommodate growing enrollments and to provide modern, updated facilities. As this sector has matured, the security and structure of these financings has evolved. How have the rating agencies, credit enhancers, and buyers modified their criteria? What have we learned? This panel will also look at the future of privatized student housing market.

**Moderator:** *Doug Nelson, VP, George K. Baum & Co.*

**Panelists:** *Mary Peloquin-Dodd, Director, Standard & Poor's • Ruth McMorrow, Director, ACA Financial Guaranty Corp. • Ken Kauffman Senior Research Analyst, US Bancorp Asset Management*

3:00 – 3:15 pm

***Break***

3:15 – 4:30 pm

***501(c)3s and Beyond: Analyzing Non-Traditional Not-For-Profits***

Outside higher education, healthcare and housing, other non-profit organizations have been borrowing in greater numbers. The largest number of issuers has been cultural institutions; followed by membership organizations, research institutions and endowed foundations. Each group is unique and within each sub-sector each organization has characteristics that present a host of challenges to analysts. How do analysts from the rating agencies, bond insurers and buy side look at a "one-off" entity that has no comparables? This session will provide the various perspectives.

**Moderator:** *Andy Clark, Research Analyst, Sit Investments*

**Panelists:** *Doug Nelson, VP, George K. Baum & Co. • Josh Stern, Director, Standard & Poor's Corporation • Katie D'Angio, VP, MBIA Insurance Corporation*

5:00 – 6:00 pm

***Cocktail hour***

***Free evening***

**Friday, October 22**

7:30 – 8:15 am

***Continental Breakfast***

8:15 – 9:45 am

***Charter School Workout Case Study***

**Moderator:** *Eric Friedland, Head of Municipal Bond Research, Standish Mellon Asset Management*

**Panelists:** *Elizabeth Hill, Managing Director, Financial Security Assurance • Larry Pieratt, Executive Director, Horizon Community Learning Center • Dan Bigler, Director of Finance Services, Horizon Community Learning Center*

9:45 – 10:00 am

***Break***

10:00 – 11:30 am

***Not-for-Profit Case Study***

A representative of a not-for-profit institution, a banker and an investor will discuss the process of bringing an NFP transaction to the market. The panel will focus on the importance of balancing the mission of the institution with credit and structural protections sought by investors and credit enhancers.

**Moderator:** *Bill Hogan, SVP, Assured Guaranty Corporation*

**Panelists:** *Louise Vaughn, Senior Consultant, JPMorgan Chase • Kristina Stillman, Director of Finance and Administration, The Pierpont Morgan Library • Naomi Richman, SVP, Moody's Investors Service*

11:30 am

***Seminar Adjourns***

**SEMINAR CO-CHAIRMEN:**

Judith Harvey, American Express  
Natalie Cohen, FSA

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