

Deal Spotlight: Higher Education

Ranken Technical College

Health and Educational Facilities Authority of the State of Missouri

Educational Facilities Revenue Bonds

\$17,325,000

UW: Piper Jaffray & Co.

Rating: Aa3/AA (S&P)

Dated Date: 1/11/07

Ranken Technical College (“Ranken Tech” or the “College”) issued over \$17 million of auction rate securities through the Health and Educational Facilities Authority of the State of Missouri.

Ranken Tech is primarily a two-year institution that provides students the necessary education and training to succeed in various technical and mechanical careers. It offers Associate of Technology and Science degrees in five divisions – Automotive, Construction, Industrial Electronics, Information Technology, and Manufacturing. The College is located on a 14-acre urban campus in St. Louis, MO, and was founded in 1907 as a non-profit, privately endowed, educational institution in 1907 by David Ranken, Jr.

The College is accredited by the North Central Association of Colleges & Schools, and is a member of the Higher Learning Commission in Missouri. This accreditation is rare for a technical school.

Full time equivalent enrollments have grown steadily with a compounded annual growth rate of nearly 4% since 2000. Over the last five years, the College is averaging a 98% job placement rate of all graduates within six months of graduation. Typically, students receive between 7-10 job offers. More importantly, the positions they take are within the discipline they have been educated in.

The bonds are a general obligation of the College, backed by a security interest in tuition and fees. Net tuition revenues have increased steadily over the past three years as a result of the growing headcount and the increase in tuition. Tuition for the current year is approximately \$11,200 for day students, compared to \$8,500 in 2002. The College maintains a very strong balance sheet with cash and investments of nearly \$50 million, most of which are unrestricted. The bond proceeds are being used to fund the conversion of a recently donated warehouse into student housing and refund outstanding Series 2003 Bonds.

The College accessed the market at lower interest rates based on Radian’s “AA” ratings. The rate of the initial 35-day auction was 3.75%.

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